

AMENDED FISCAL REPORTS

For Fiscal Years:

July 1, 2008 to June 30, 2009

July 1, 2009 to June 30, 2010

July 1, 2010 to June 30, 2011

July 1, 2011 to June 30, 2012

July 1, 2012 to June 30, 2013

Erie County Children and Youth Agency

October 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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**EUGENE A. DePASQUALE
AUDITOR GENERAL**

Ms. Kathy Dahlkemper, Executive Director
Erie County Council
Erie County Courthouse, Room 116
140 West Sixth Street
Erie, PA 16501

Dear Ms. Dahlkemper:

We have examined the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary, hereinafter referred to as the submitted fiscal reports, and the related financial records of the Erie County Children and Youth Agency (agency) for the purpose of ascertaining and certifying the actual Commonwealth expenditures incurred on behalf of children residing within the County for the fiscal years ended June 30, 2009, June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013 pursuant to authority derived from Act 148 of 1976, as amended, 62 P.S. § 704.1(a)(4). The scope of our engagement was limited to the fiscal reports submitted to the Department of Human Services (DHS) as part of the Act 148 Invoice Packages for the above referenced fiscal years.

Preparation of the submitted fiscal reports, and compliance with children, youth, and families regulations, are the responsibility of agency management. Our engagement procedures included a review of selected agency records, and other procedures we deemed necessary, to enable us to ascertain and certify the actual Commonwealth expenditures incurred on behalf of children residing within the County and to determine the County's compliance¹ with certain provisions of 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, Chapters 3140 and 3170 (55 Pa. Code §§ 3140.1 *et seq.* and 3170.1 *et seq.*).

We performed a review of the agency's internal controls over its invoice review and approval process for the 2008-2009 through the 2012-2013 fiscal years. We determined that agency staff responsible for reviewing and approving invoices submitted for payment performed procedures to substantiate that monthly services invoiced by the Placement Purchased Service providers were actually provided, and provided in adherence to executed key contract terms before these invoices were approved for payment. However, we determined that no such corresponding procedures were performed for monthly services invoiced by In-Home Purchased Service providers. Specifically, as detailed in Finding No.1, beginning on page 38 of this report,

for submitted In-Home Purchased Services' invoices selected for detailed review and the corresponding expenditures reported on the agency's submitted fiscal reports, we found that the agency failed to provide supporting documentation evidencing that the fees charged on the submitted invoices, and subsequently paid by the agency, were actually provided, and if provided, were provided in adherence to the requirements of the respective provider's key contract terms.

Because of the significance of the matter described in the preceding paragraph, we had no assurance that total expenditures of \$16,985,420 paid to In-Home Purchased Service providers and included in total Purchased Services' expenditures of \$95,346,970 reported on the agency's CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, submitted to the DHS for the fiscal years ended 2009, 2010, 2011, 2012, and 2013, and included in the agency's respective general ledgers, were valid because we were provided no evidence that the corresponding services were actually provided or, if provided, that the services adhered to respective key executed contract provisions and DHS regulations. Therefore, while we achieved our objective of ascertaining and certifying the total Commonwealth expenditures paid on behalf of children residing within the county for the fiscal years ended 2009, 2010, 2011, 2012, and 2013, we cannot attest that the \$16,985,420 expended by the Commonwealth for In-Home Purchased Services were actually provided, or if provided, were provided in adherence to executed key contract provisions and DHS regulations because a high risk exists that overbillings and fraudulent billings could have occurred.

Despite the matter described in the third paragraph of page 1, we did perform procedures using the documentation available to us, and the results of those procedures are described in the bulleted paragraphs below. However, these results may have been affected by the matter described in the third paragraph, and our assurance provided is limited by this matter:

- For the **fiscal year ended 2009**, our engagement resulted in two adjustments being made to the agency's submitted fiscal reports. These adjustments in total impacted the agency's Final Net State Share by decreasing agency expenditures by \$858 and decreasing revenue by \$875. Based on the application of the state participation rates, the two adjustments impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$271. Both adjustments are detailed in our amended fiscal reports for the fiscal year 2008-2009, as included in Section 1 of this report, beginning on page 3.
- For the **fiscal year ended 2010**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing revenue by \$1,918. Based on the application of the state participation rates, the adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the county totaling \$1,534. The adjustment is detailed in our amended fiscal reports for the fiscal year 2009-2010, as included in Section 2 of this report, beginning on page 10.

- For the **fiscal year ended 2011**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share, as detailed in our amended fiscal reports for fiscal year 2010-2011, as included in Section 3 of this report, beginning on page 17.
- For the **fiscal year ended 2012**, our engagement resulted in no adjustments being made to the agency's submitted fiscal reports. Thus, there is no effect on the Final Net State Share, as detailed in our amended fiscal reports for the fiscal year 2011- 2012, as included in Section 4 of this report, beginning on page 23.
- For the **fiscal year ended 2013**, our engagement resulted in one adjustment being made to the agency's submitted fiscal reports. This adjustment impacted the agency's Final Net State Share by decreasing expenditures by \$168,378. Based on the application of the state participation rates, the adjustment impacting the agency's Final Net State Share Payable resulted in an amount due to the state totaling \$134,703. The adjustment is detailed in our amended fiscal reports for the fiscal year 2009-2010, as included in Section 5 of this report, beginning on page 29.

In addition, due to the DHS' implementation of significant changes to the child social services' reporting system, we concluded that the reissuance of the finding included in our prior released audit report was not warranted, as detailed in Section 6 of this report, beginning on page 36.

Furthermore, we identified the following areas of non-compliance, as detailed in Section 7 of this report, beginning on page 38:

- Finding No. 1 – Erie County Office of Children & Youth Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers
- Finding No. 2 – Questionable Billing Practices by a Provider of In-Home Preventative Services Related to the Erie County Office of Children and Youth's Failure to Provide Evidence to Substantiate the Provision of Services and the Corresponding Fees Charged
- Finding No. 3 – Erie County Office of Children & Youth Reimbursed an In-Home Preventative Service Provider Participating in the Family Group Decision Making Program for Actual Personnel and Other Operating Costs in Violation of the Agency's Executed Contracts with the Provider
- Finding No. 4 – Erie County Office of Children & Youth Made an Unallowable Payment to a Residential Provider as Reimbursement for their Financial Loss on the Provision of Kinship Care Services

Finally, significant control deficiencies exist in DHS' oversight of children and youth agencies' adherence to Child Protective Services Law (CPSL) requirements, as detailed in the Observation included in Section 8 of this report, beginning on page 56.

The results of our engagement procedures, as presented in this report, were discussed with County representatives and agency management at an exit conference held via conference call on September 15, 2016.

This report is being forwarded to the DHS Bureau of Financial Operations, and the Office of Children, Youth, and Families for review and settlement of the adjustments included in our amended fiscal reports. You will be notified by the DHS of the decisions made during the DHS settlement process and the impact, if any, on a future Act 148 payment. At that time, in accordance with the Commonwealth's General Rules of Administrative Practice and Procedure, 1 Pa. Code § 31.1 *et seq.*, you will be afforded the opportunity by Commonwealth DHS to appeal its settlement process decision.

We appreciate the cooperation, assistance, and courtesy granted our representatives by your officials and the staff of the Erie County Children and Youth Agency.

Sincerely,



Eugene A. DePasquale
Auditor General

September 15, 2016

Endnote

¹ The Child Protective Services Law (CPSL), 23 Pa.C.S. § 6301 *et seq.*, requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies, as well as the volunteers/employees of their contractors (providers) and subcontractors (sub-recipients). To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided. However, the safety of children receiving services from/through these agencies may be at risk due to significant control deficiencies related to the CPSL adherence that exist within C&Y agencies and DHS. Details regarding these deficiencies are further outlined in the Observation beginning on page 56 of this report.

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BACKGROUND

The Department of the Auditor General is responsible for reviewing the fiscal reports, known as the submitted CY-370 Expenditure Report, the CY-370A Revenue Report, and the CY-348 Fiscal Summary of the 67 County Children and Youth Agencies to determine proper reporting and utilization of funds according to program regulations and guidelines under Public Welfare Code 62 P.S. § 704.1(a)(4). The annual state Act 148 allocations are used by the Counties to administer social services for the children and youth that reside within the Commonwealth of Pennsylvania, whose stated goal is “to ensure, for each child in this Commonwealth, a permanent, legally assured family which protects the child from abuse and neglect.” The Children and Youth Social Services Program is County-Administered and State-Supervised by the Department of Human Services (DHS) and thus, they are jointly responsible for achieving the Commonwealth’s goal.

In accordance with the Public Welfare Code (62 P. S. § 703), the DHS is responsible for making and enforcing all rules and regulations necessary and appropriate to the proper accomplishment of the child welfare duties and functions vested by law in the county institution districts or their successors. Title 55 Pa. Code, Part V. Children, Youth, and Families Manual, Subpart C, outlines the rules and regulations relative to the County Administration of the Children and Youth Social Service Programs. Specifically, in compliance with 55 Pa. Code § 3140.31, the Counties must report their cumulative actual expenditures incurred for the provision of children and youth social services on a quarterly basis to the DHS through the Act 148 Invoice package. The expenditures reported in the Act 148 Invoice package refers to all costs for dependent and delinquent children and youth services funded or administered by the DHS.

As part of our engagement, we reviewed the County Children and Youth Agency’s submitted fiscal reports, as referenced above, which are included in the Act 148 Invoice package. Specifically, we reviewed the final, cumulative 4th Quarter fiscal reports submitted to the DHS, along with the County Children and Youth Agency’s related financial records and supporting documentation, to determine whether the County Children and Youth Agency’s actual, cumulative expenditures and revenues were properly reported to the DHS for the respective fiscal years (FYs). The variances identified between the submitted and actual costs and revenues required adjustments to these fiscal reports, and thus, our Amended CY-370 Expenditure Report, Amended CY-370A Revenue Report, and Amended CY-348 Fiscal Summary, resulting from our engagement procedures and included in this report for each fiscal year included in our scope, reflect the County Children and Youth Agency’s actual related costs and revenues for those years and those costs and revenues’ impact on the County Children and Youth Agency’s corresponding Net State Shares.

SECTION 1

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2008 to JUNE 30, 2009

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	24,934,442
Supplemental Act 148			<u>0</u>
Total State Allocation			24,934,442
State Share (CY348) ²	\$		22,177,085
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	22,177,085
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	22,177,085
Actual Act 148 Revenues Received ⁴			<u>22,176,814</u>
Net Amount Due County/(State) ⁵		\$	<u><u>271</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	792,614	0	126,270	0	0	0	0	0	666,344	666,344	0
02. 90% REIMBURSEMENT	2,409,817	34,677	553,012	0	0	0	0	0	1,822,128	1,639,915	182,213
03. 80% REIMBURSEMENT	30,994,814	506,302	7,992,919	1,615,671	260,799	143,800	0	260,640	20,214,683	16,171,748	4,042,935
04. 60% REIMBURSEMENT	5,510,635	115,990	939,681	0	0	0	0	10,401	4,444,563	2,666,738	1,777,825
05. 50% REIMBURSEMENT	2,068,474	3,795	0	0	0	0	0	0	2,064,679	1,032,340	1,032,339
06. TOTAL NET CHILD WELFARE EXPEND.	41,776,354	660,764	9,611,882	1,615,671	260,799	143,800	0	271,041	29,212,397	22,177,085	7,035,312
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	2,856,426	25,794							2,830,632	1,698,379	1,132,253
08. NON-REIMBURSABLE EXPENDITURES	134,210	0	0						134,210		134,210
09. TOTAL EXPENDITURES	44,766,990	686,558	9,611,882	1,615,671	260,799	143,800	0	271,041	32,177,239	23,875,464	8,301,775
10. IL Grant Funds Reported	186,124										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	451,726										
13. TITLE IV-D Collections for IV-E Children	67,425										
14. STATE ACT 148 - line 6	22,177,085										
15. STATE ACT 148 ALLOCATION	24,934,442										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	22,177,085										
INVOICE											
AMENDED STATE SHARE (ACT 148)	22,177,085										
ACT 148 AMOUNT RECEIVED	22,176,814										
ADJUSTMENT TO STATE SHARE	271										

Subsidized Permanent Legal Custodianship SPLC	Total Subsidies	Number of Days	Number of Children
	190,622	8,827	47

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY 370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	792,614	0	126,270	0	0	0	0	0	0	666,344	666,344	0
1-B ADOPTION ASSISTANCE	6,401,291	0	3,345,154	20,750	0	0	0	0	0	3,035,387	2,428,310	607,077
1-C COUNSELING - DEPENDENT	2,310,332	0	95,486	585,714	0	0	0	0	0	1,629,132	1,303,306	325,826
1-D COUNSELING - DELINQUENT	1,019,262	0	598,172	0	598,172	0	0	0	0	421,090	336,872	84,218
1-E DAY CARE	656,833	0	0	0	278,425	0	0	0	0	378,408	302,726	75,682
1-F DAY TREATMENT - DEPENDENT	1,691	0	0	0	0	0	0	0	0	1,691	1,353	338
1-G DAY TREATMENT - DELINQUENT	310,249	0	0	0	145,478	0	0	0	0	164,771	131,817	32,954
1-H HOMEMAKER SERVICE	10,407	0	0	0	0	0	0	0	0	10,407	8,326	2,081
1-I INTAKE & REFERRAL	276,090	0	44,707	0	0	0	0	0	0	231,383	185,106	46,277
1-J LIFE SKILLS - DEPENDENT	54,473	0	0	0	7,882	0	0	0	0	46,591	37,273	9,318
1-K LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	2,371,262	0	383,460	0	0	0	0	0	0	1,987,802	1,590,242	397,560
1-M PROTECTIVE SERVICE - GENERAL	2,287,904	0	370,185	0	0	0	0	0	0	1,917,719	1,534,175	383,544
1-N SERVICE PLANNING	1,971,261	0	319,110	0	0	0	143,800	0	0	1,508,351	1,206,681	301,670
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	78,000	0	0	0	0	0	0	0	0	78,000	39,000	39,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL IN-HOME	18,541,669	0	3,345,154	1,359,968	#####	0	143,800	0	0	12,077,076	9,771,531	2,305,545

COMMUNITY BASED PLACEMENT	REVENUE SOURCES											
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	116	0	0	0	0	0	0	0	0	116	93	23
2-B ALTERNATIVE TREATMENT - DELINQUENT	1,502,335	43,815	282,404	0	0	0	0	0	0	1,176,116	940,893	235,223
2-C COMMUNITY RESIDENTIAL - DEPENDENT	1,547,479	42,212	420,324	0	0	0	0	0	0	1,084,943	867,954	216,989
2-D COMMUNITY RESIDENTIAL - DELINQUENT	1,978,208	37,737	527,850	23,741	0	0	0	0	0	1,388,880	1,111,104	277,776
2-E EMERGENCY SHELTER - DEPENDENT	1,679,198	33,502	442,824	0	0	0	0	0	0	1,202,872	1,082,585	120,287
2-F EMERGENCY SHELTER - DELINQUENT	730,619	1,175	110,188	0	0	0	0	0	0	619,256	557,330	61,926
2-G FOSTER FAMILY - DEPENDENT	6,451,433	295,663	1,171,789	418,000	0	260,799	0	0	260,640	4,044,542	3,235,634	808,908
2-H FOSTER FAMILY - DELINQUENT	85,970	3,013	8,007	7,381	0	0	0	0	0	67,569	54,055	13,514
2-I SUP. INDEPENDENT LIVING - DEPENDENT	1,526,066	73,897	520,368	5,985	0	0	0	0	0	925,816	740,653	185,163
2-J SUP. INDEPENDENT LIVING - DELINQUENT	232,152	9,965	26,813	1,405	0	0	0	0	0	193,969	155,175	38,794
SUBTOTAL CBP	15,733,576	540,979	3,510,567	456,512	0	260,799	0	0	260,640	10,704,079	8,745,476	1,958,603

INSTITUTIONAL PLACEMENT	REVENUE SOURCES											
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	1,990,474	3,795	110,661	0	0	0	0	0	0	1,986,679	993,340	993,339
3-B RESIDENTIAL SERVICE - DEPENDENT	296,329	26,452	110,661	0	0	0	0	0	0	159,216	95,530	63,686
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,370,035	81,843	450,243	32,240	0	0	0	0	0	1,805,709	1,083,425	722,284
3-D SECURE RES. SERVICE (EXCEPT YDC)	706,614	7,122	0	0	0	0	0	0	0	699,492	419,695	279,797
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	0	0	0	0	0	0	0	0
3-F YDC SECURE	2,856,426	25,794	0	0	0	0	0	0	0	2,830,632	1,698,379	1,132,253
SUBTOTAL INSTITUTIONAL	8,219,878	145,006	560,904	32,240	0	0	0	0	0	7,481,728	4,290,369	3,191,359

4 ADMINISTRATION	2,137,657	573	0	346,537	0	0	0	0	10,401	1,780,146	1,068,088	712,058
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5 TOTAL REVENUES	44,632,780	686,558	7,416,625	2,193,257	#####	260,799	143,800	0	271,041	32,043,029	23,875,464	8,167,565
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ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED CY370
EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Program Income related to all Non-Reimbursable	
	1	2	3	4	5	6	7	8	9	10		11
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
1-A ADOPTION SERVICE	343,713	158,161		277,646	12,610	682	792,812	46	46	198	0	0
1-B ADOPTION ASSISTANCE	0	0	6,401,291	0	0	0	6,401,291	1,000	1,000	0	0	0
1-C COUNSELING - DEPENDENT	322,088	137,869		128,830	1,720,809	909	2,310,505	326	1,075	173	0	0
1-D COUNSELING - DELINQUENT	0	0		0	1,019,262	0	1,019,262	0	424	0	0	0
1-E DAY CARE	0	0		0	656,833	0	656,833	0	53	0	0	0
1-F DAY TREATMENT - DEPENDENT	0	0		0	1,691	0	1,691	0	17	0	0	0
1-G DAY TREATMENT - DELINQUENT	0	0		0	310,249	0	310,249	0	140	0	0	0
1-H HOMEMAKER SERVICE	0	0		0	10,407	0	10,407	0	20	0	0	0
1-I INTAKE & REFERRAL	183,169	70,173		26,354	0	303	279,999	1,468	0	3,909	0	0
1-J LIFE SKILLS - DEPENDENT	0	0		0	54,473	0	54,473	0	86	0	0	0
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	1,382,239	539,904		467,810	3,507	2,576	2,396,036	42	2	24,774	0	0
1-M PROTECTIVE SERVICE - GENERAL	1,380,035	574,697		333,685	2,900	2,803	2,294,120	1,101	3	6,216	0	0
1-N SERVICE PLANNING	1,198,334	530,916		246,543	772	2,121	1,978,686	1,108	1	7,425	0	0
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT				0	78,000	0	78,000	0	297	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT				0	0	0	0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	4,809,578	2,011,720	6,401,291	1,480,868	3,871,513	9,394	18,584,364			42,695	0	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	116	0	116	78	1	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	1,502,335	0	1,502,335	9,658	105	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	1,547,479	0	1,547,479	7,846	116	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	146,782	1,831,426	0	1,978,208	9,854	90	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	514,828	201,581	0	236,338	745,190	103	1,698,040	7,420	394	0	18,842	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	27,040	703,579	0	730,619	3,497	176	0	0	0
2-G FOSTER FAMILY - DEPENDENT	563,933	288,185	190,622	638,445	4,769,491	1,288	6,451,964	181,013	835	531	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	17,662	68,308	0	85,970	393	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	39,908	36,910	1,449,248	0	1,526,066	14,040	80	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	8,691	223,461	0	232,152	1,583	14	0	0	0
2-K SUBTOTAL CBP	1,078,761	489,766	230,530	1,111,868	12,840,633	1,391	15,752,949	235,382	1,813	531	18,842	0
Number of Children receiving only NON-PURCHASED IN-Home Services												
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
3-A JUVENILE DETENTION SERVICE	1,289,339	531,146		196,359	36,405	252	2,053,501	5,889	346	30,766	32,261	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0	296,329	0	296,329	2,084	62	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		198,929	2,171,106	0	2,370,035	15,519	145	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	706,614	0	706,614	2,477	18	0	0	0
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	0	0	0	0	0	0	0	0
3-F YDC SECURE	0	0		0	2,856,426	0	2,856,426	7,348	48	0	0	0
3-G SUBTOTAL INSTITUTIONAL	1,289,339	531,146	0	395,288	6,066,880	252	8,282,905	33,317	619	30,766	32,261	0
4 ADMINISTRATION	774,571	331,500	0	1,033,852	0	6,849	2,146,772			9,115	0	0
5 TOTAL EXPENDITURES	7,952,249	3,364,132	6,631,821	4,021,876	22,779,026	17,886	44,766,990			83,107	51,103	0
County Indirect Costs = \$ 204,030												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 792,812	\$ 0	\$ 792,812
Adoption Assistance	6,401,291	0	6,401,291
Counseling	3,329,767	0	3,329,767
Day Care	656,833	0	656,833
Day Treatment	311,940	0	311,940
Homemaker Service	10,407	0	10,407
Intake and Referral	279,999	0	279,999
Life Skills	54,473	0	54,473
Protective Service - Child Abuse	2,396,036	0	2,396,036
Protective Service - General	2,294,120	0	2,294,120
Service Planning	1,978,686	0	1,978,686
Juvenile Act Proceedings	78,000	0	78,000
Alternative Treatment	1,502,451	0	1,502,451
Community Residential	3,525,687	0	3,525,687
Emergency Shelter	2,428,659	0	2,428,659
Foster Family	6,537,934	0	6,537,934
Supervised Independent Living	1,758,218	0	1,758,218
Juvenile Detention Service	2,054,359	(858)	2,053,501
Residential Service	2,666,364	0	2,666,364
Secure Residential Service (Except YDC)	706,614	0	706,614
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	2,856,426	0	2,856,426
Administration	2,146,772	0	2,146,772
Combined Total Expense	44,767,848	(858)	44,766,990
Less Non-reimbursables	134,210	0	134,210
Total Net Expense	\$ 44,633,638	\$ (858)	\$ 44,632,780

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,953,107	\$ (858)	\$ 7,952,249
Employee Benefits	3,364,132	0	3,364,132
Subsidies	6,631,821	0	6,631,821
Operating	4,021,876	0	4,021,876
Purchased Services	22,779,026	0	22,779,026
Fixed Assets	17,886	0	17,886
Combined Total Expense	44,767,848	(858)	44,766,990
Less Non-reimbursables	134,210	0	134,210
Total Net Expense	\$ 44,633,638	\$ (858)	\$ 44,632,780

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2008 TO JUNE 30, 2009
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENTS	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	3-A	1	1	CY-370 Adjustment			
				Juvenile Detention Service-Wages and Salaries	\$ 1,290,197	\$ (858)	\$ 1,289,339
				To decrease Wages and Salaries by \$858 to eliminate the salary of one employee who was not appointed through the merit system procedures. A review of the agency's PW-1171 Roster of Personnel by the State Department of Human Services, Bureau of Human Resources, revealed this condition.			
				Title 55 PA Code, Chapter 3170.42(a) OCYF Bulletin 3140-06-06			
CY-370A	2-G	3	2	CY-370A Adjustment			
				Foster Family-Dependent-Title IV-E Maintenance	\$ 1,172,664	\$ (875)	\$ 1,171,789
				To decrease Federal Title IV-E Revenue by \$875 to include one supplemental invoice which was not included in the Title IV-E Reconciliation Calculation performed by the State Department of Human Services - Office of Children, Youth & Families for the 2008-2009 fiscal year.			
				Title 55 PA Code, Chapter 3170.95(a)(b)			

SECTION 2

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2009 to JUNE 30, 2010

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	22,109,127
Supplemental Act 148			<u>0</u>
Total State Allocation			22,109,127
State Share (CY348) ²	\$		20,637,075
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	20,637,075
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	20,637,075
Actual Act 148 Revenues Received ⁴			<u>20,635,541</u>
Net Amount Due County/(State) ⁵		\$	<u><u>1,534</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	773,182	0	142,831	0	0	0	0	0	630,351	630,351	0
02. 90% REIMBURSEMENT	2,413,808	34,016	559,630	0	0	0	0	0	1,820,162	1,638,145	182,017
03. 80% REIMBURSEMENT	29,987,527	511,035	8,458,785	1,615,671	260,799	143,800	0	271,111	18,726,326	14,981,061	3,745,265
04. 60% REIMBURSEMENT	4,845,031	116,985	832,532	0	0	0	0	19,556	3,875,958	2,325,574	1,550,384
05. 50% REIMBURSEMENT	2,213,299	89,412	0	0	0	0	0	0	2,123,887	1,061,944	1,061,943
06. TOTAL NET CHILD WELFARE EXPEND.	40,232,847	751,448	9,993,778	1,615,671	260,799	143,800	0	290,667	27,176,684	20,637,075	6,539,609
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	2,846,689	16,320							2,830,369	1,698,221	1,132,148
08. NON-REIMBURSABLE EXPENDITURES	137,232	0	0						137,232		137,232
09. TOTAL EXPENDITURES	43,216,768	767,768	9,993,778	1,615,671	260,799	143,800	0	290,667	30,144,285	22,335,296	7,808,989
10. IL Grant Funds Reported	0										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	427,911										
13. TITLE IV-D Collections for IV-E Children	93,514										
14. STATE ACT 148 - line 6	20,637,075										
15. STATE ACT 148 ALLOCATION	22,109,127										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	20,637,075										
INVOICE											
AMENDED STATE SHARE (ACT 148)	20,637,075										
ACT 148 AMOUNT RECEIVED	20,635,541										
ADJUSTMENT TO STATE SHARE	1,534										

Subsidized Permanent Legal Custodianship											
SPLC	343,301	16,496									64

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	773,182	0		142,831	0		0	0	0	630,351	630,351	0
1-B ADOPTION ASSISTANCE	7,292,485	0	4,024,225							3,268,260	2,614,608	653,652
1-C COUNSELING - DEPENDENT	2,035,741	0		110,963	614,188	0	143,800	0	0	1,166,790	933,432	233,358
1-D COUNSELING - DELINQUENT	679,063	0			319,306	0	0	0	0	359,757	287,806	71,951
1-E DAY CARE	481,768	0			269,014	0	0	0	0	212,754	170,203	42,551
1-F DAY TREATMENT - DEPENDENT	109,127	0			57,532	0	0	0	0	51,595	41,276	10,319
1-G DAY TREATMENT - DELINQUENT	460,532	0			323,473	0	0	0	0	137,059	109,647	27,412
1-H HOMEMAKER SERVICE	9,678	0			0	0	0	0	0	9,678	7,742	1,936
1-I INTAKE & REFERRAL	285,728	0		52,798	0	0	0	0	0	232,930	186,344	46,586
1-J LIFE SKILLS - DEPENDENT	49,450	0			32,158	0	0	0	0	17,292	13,834	3,458
1-K LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	2,210,559	0		408,547	0					1,802,012	1,441,610	360,402
1-M PROTECTIVE SERVICE - GENERAL	2,296,201	0		424,267	0					1,871,934	1,497,547	374,387
1-N SERVICE PLANNING	2,251,511	0		416,129	0					1,835,382	1,468,306	367,076
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	108,000	0			0					108,000	54,000	54,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	58,388	0			0					58,388	29,194	29,194
1-Q SUBTOTAL IN-HOME	19,101,413	0	4,024,225	1,555,535	#####	0	143,800	0	0	11,762,182	9,485,900	2,276,282
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	64,074	344	5,911	0		0	0	0	0	57,819	46,255	11,564
2-B ALTERNATIVE TREATMENT - DELINQUENT	1,425,518	39,938	269,714	0		0	0	0	0	1,115,866	892,693	223,173
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,352,237	130,893	660,844	0		0	0	0	0	1,560,500	1,248,400	312,100
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,701,171	51,378	646,454	32,550		0	0	0	0	1,970,789	1,576,631	394,158
2-E EMERGENCY SHELTER - DEPENDENT	1,438,640	31,336	423,398	0	0	0	0	0	0	983,906	885,515	98,391
2-F EMERGENCY SHELTER - DELINQUENT	975,168	2,680	136,232	0	0	0	0	0	0	836,256	752,630	83,626
2-G FOSTER FAMILY - DEPENDENT	5,282,684	288,482	1,135,858	270,525		260,799	0	0	271,111	3,055,909	2,444,727	611,182
2-H FOSTER FAMILY - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	14,239,492	545,051	3,278,411	303,075	0	260,799	0	0	271,111	9,581,045	7,846,851	1,734,194
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	2,046,911	89,412								1,957,499	978,750	978,749
3-B RESIDENTIAL SERVICE - DEPENDENT	112,491	21,623	8,284	0		0	0	0	0	82,584	49,550	33,034
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	1,827,968	91,973	360,520	26,295		0	0	0	0	1,349,180	809,508	539,672
3-D SECURE RES. SERVICE (EXCEPT YDC)	545,085	3,285								541,800	325,080	216,720
3-E YDC/YFC (NON-SECURE)-Institutional	0	0								0	0	0
3-F YDC SECURE	2,846,689	16,320								2,830,369	1,698,221	1,132,148
3-G SUBTOTAL INSTITUTIONAL	7,379,144	222,613	368,804	26,295	0	0	0	0	0	6,761,432	3,861,109	2,900,323
4 ADMINISTRATION	2,359,487	104		437,433		0	0	0	19,556	1,902,394	1,141,436	760,958
5 TOTAL REVENUES	43,079,536	767,768	7,671,440	2,322,338	#####	260,799	143,800	0	290,667	30,007,053	22,335,296	7,671,757

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED CY370
EXPENDITURE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										TOTAL EXPENDITURES	Children Served (Purchased)	Non- Reimbursable Non PS,Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
	1	2	3	4	5	6	7	8	9	10					
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non- Reimbursable Non PS,Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable			
IN-HOME															
1-A ADOPTION SERVICE	345,311	166,694		262,905	0	1,663	776,573	22	0	3,391	0	0			
1-B ADOPTION ASSISTANCE	0	0	7,292,485	0	0	0	7,292,485	0	1,057	0	0	0			
1-C COUNSELING - DEPENDENT	274,050	134,530		189,321	1,436,281	1,663	2,035,845	320	618	104	0	0			
1-D COUNSELING - DELINQUENT	0	0		0	679,063	0	679,063	0	425	0	0	0			
1-E DAY CARE	0	0		0	481,768	0	481,768	0	23	0	0	0			
1-F DAY TREATMENT - DEPENDENT	0	0		0	109,127	0	109,127	0	5	0	0	0			
1-G DAY TREATMENT - DELINQUENT	0	0		0	460,532	0	460,532	0	97	0	0	0			
1-H HOMEMAKER SERVICE	0	0		0	9,678	0	9,678	0	13	0	0	0			
1-I INTAKE & REFERRAL	174,885	73,405		38,638	0	665	287,593	989	0	1,865	0	0			
1-J LIFE SKILLS - DEPENDENT	0	0		0	49,450	0	49,450	0	58	0	0	0			
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0			
1-L PROTECTIVE SERVICE - CHILD ABUSE	1,257,256	579,242		468,874	0	9,641	2,265,013	29	0	54,454	0	0			
1-M PROTECTIVE SERVICE - GENERAL	1,199,747	588,291		509,071	0	9,974	2,307,083	834	0	10,882	0	0			
1-N SERVICE PLANNING	1,263,189	628,190		358,505	0	5,320	2,255,204	1,162	0	3,693	0	0			
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT					108,000		108,000	0	197	0	0	0			
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT					58,388		58,388	0	766	0	0	0			
1-Q SUBTOTAL IN-HOME	4,514,438	2,120,352	7,292,485	1,827,314	3,392,287	28,926	19,175,802			74,389	0	0			
Number of Children receiving only NON-PURCHASED IN-Home Services															
COMMUNITY BASED PLACEMENT															
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0	64,074	0	64,074	746	3	0	0	0			
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0		0	1,425,518	0	1,425,518	9,144	107	0	0	0			
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0		0	2,352,237	0	2,352,237	21,353	80	0	0	0			
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0		0	172,578	0	2,701,171	12,050	112	0	0	0			
2-E EMERGENCY SHELTER - DEPENDENT	522,436	209,747		210,796	513,910	1,273	1,458,162	6,769	381	0	19,522	0			
2-F EMERGENCY SHELTER - DELINQUENT	0	0		34,755	940,413	0	975,168	4,613	199	0	0	0			
2-G FOSTER FAMILY - DEPENDENT	557,613	300,478	343,301	605,182	3,476,081	2,826	5,285,481	118,273	643	2,797	0	0			
2-H FOSTER FAMILY - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0			
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0		0	0	0	0	0	0	0	0	0			
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0			
2-K SUBTOTAL CBP	1,080,049	510,225	343,301	1,023,311	11,300,826	4,099	14,261,811	172,948	1,525	2,797	19,522	0			
INSTITUTIONAL PLACEMENT															
3-A JUVENILE DETENTION SERVICE	1,270,497	578,406		194,927	28,068	1,132	2,073,030	5,501	295	98	26,021	0			
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0		0	112,491	0	112,491	987	54	0	0	0			
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0		142,412	1,685,556	0	1,827,968	11,843	135	0	0	0			
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0		0	545,085	0	545,085	1,899	18	0	0	0			
3-E YDC/YFC (NON-SECURE)-Institutional	0	0		0	0	0	0	0	0	0	0	0			
3-F YDC SECURE	0	0		0	2,846,689	0	2,846,689	7,121	47	0	0	0			
3-G SUBTOTAL INSTITUTIONAL	1,270,497	578,406	0	337,339	5,217,889	1,132	7,405,263	27,351	549	98	26,021	0			
4 ADMINISTRATION	800,840	351,518	0	1,218,375	0	3,159	2,373,892			14,405	0	0			
5 TOTAL EXPENDITURES	7,665,824	3,560,501	7,635,786	4,406,339	19,911,002	37,316	43,216,768			91,689	45,543	0			
County Indirect Costs = \$ 163,465															

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 776,573	\$ 0	\$ 776,573
Adoption Assistance	7,292,485	0	7,292,485
Counseling	2,714,908	0	2,714,908
Day Care	481,768	0	481,768
Day Treatment	569,659	0	569,659
Homemaker Service	9,678	0	9,678
Intake and Referral	287,593	0	287,593
Life Skills	49,450	0	49,450
Protective Service - Child Abuse	2,265,013	0	2,265,013
Protective Service - General	2,307,083	0	2,307,083
Service Planning	2,255,204	0	2,255,204
Juvenile Act Proceedings	166,388	0	166,388
Alternative Treatment	1,489,592	0	1,489,592
Community Residential	5,053,408	0	5,053,408
Emergency Shelter	2,433,330	0	2,433,330
Foster Family	5,285,481	0	5,285,481
Supervised Independent Living	0	0	0
Juvenile Detention Service	2,073,030	0	2,073,030
Residential Service	1,940,459	0	1,940,459
Secure Residential Service (Except YDC)	545,085	0	545,085
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	2,846,689	0	2,846,689
Administration	<u>2,373,892</u>	<u>0</u>	<u>2,373,892</u>
Combined Total Expense	43,216,768	0	43,216,768
Less Non-reimbursables	<u>137,232</u>	<u>0</u>	<u>137,232</u>
Total Net Expense	<u>\$ 43,079,536</u>	<u>\$ 0</u>	<u>\$ 43,079,536</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,665,824	\$ 0	\$ 7,665,824
Employee Benefits	3,560,501	0	3,560,501
Subsidies	7,635,786	0	7,635,786
Operating	4,406,339	0	4,406,339
Purchased Services	19,911,002	0	19,911,002
Fixed Assets	37,316	0	37,316
Combined Total Expense	43,216,768	0	43,216,768
Less Non-reimbursables	<u>137,232</u>	<u>0</u>	<u>137,232</u>
Total Net Expense	<u>\$ 43,079,536</u>	<u>\$ 0</u>	<u>\$ 43,079,536</u>

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2009 TO JUNE 30, 2010
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370A	2-G	3	1	<p style="text-align: center;">CY-370A Adjustment</p> <p>Foster Family-Dependent-Title IV-E Maintenance</p> <p>To decrease Federal Title IV-E Revenue by \$1,918 to include two supplemental invoices not included in the Title IV-E Reconciliation Calculation performed by the State Department of Human Services - Office of Children, Youth & Families for the 2009-2010 fiscal year.</p> <p>Title 55 PA Code, Chapter 3170.95(a)(b)</p>	\$ 1,137,776	\$ (1,918)	\$ 1,135,858

SECTION 3

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2010 to JUNE 30, 2011

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	21,873,076
Supplemental Act 148			<u>0</u>
Total State Allocation			21,873,076
State Share (CY348) ²	\$		21,679,531
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	21,679,531
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	21,679,531
Actual Act 148 Revenues Received ⁴			<u>21,679,531</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	785,569	0	135,000	0	0	0	0	0	650,569	650,569	0
02. 90% REIMBURSEMENT	2,183,911	27,167	311,165	0	0	0	0	0	1,845,579	1,661,021	184,558
03. 80% REIMBURSEMENT	29,624,814	480,747	7,146,153	1,353,863	260,799	143,800	0	215,697	20,023,755	16,019,002	4,004,753
04. 60% REIMBURSEMENT	4,663,486	93,507	592,490	0	0	0	0	12,924	3,964,565	2,378,740	1,585,825
05. 50% REIMBURSEMENT	2,063,955	123,558	0	0	0	0	0	0	1,940,397	970,199	970,198
06. TOTAL NET CHILD WELFARE EXPEND.	39,321,735	724,979	8,184,808	1,353,863	260,799	143,800	0	228,621	28,424,865	21,679,531	6,745,334
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	2,178,712	7,259							2,171,453	1,302,872	868,581
08. NON-REIMBURSABLE EXPENDITURES	102,903	0	0						102,903		102,903
09. TOTAL EXPENDITURES	41,603,350	732,238	8,184,808	1,353,863	260,799	143,800	0	228,621	30,699,221	22,982,403	7,716,818
10. IL Grant Funds Reported	0										
11. TOTAL HSDF used for Child Welfare	0										
12. TOTAL TITLE IV-D COLLECTIONS	350,321										
13. TITLE IV-D Collections for IV-E Children	47,649										
14. STATE ACT 148 - line 6	21,679,531										
15. STATE ACT 148 ALLOCATION	21,873,076										
16. ADJUSTED STATE SHARE (lower of 14 or 15)	21,679,531										
INVOICE											
AMENDED STATE SHARE (ACT 148)	21,679,531										
ACT 148 AMOUNT RECEIVED	21,679,531										
ADJUSTMENT TO STATE SHARE	0										
Subsidized Permanent Legal Custodianship											
SPLC	489,055										
		Number of Days	Number of Children								
		22,595	88								

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY370A
REVENUE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
IN-HOME	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
1-A ADOPTION SERVICE	785,569	0		135,000	0		0	0	0	650,569	650,569	0
1-B ADOPTION ASSISTANCE	7,593,608	0	4,052,908	0					0	3,540,700	2,832,560	708,140
1-C COUNSELING - DEPENDENT	2,276,324	0		125,019	456,719	0	0	0	0	1,694,586	1,355,669	338,917
1-D COUNSELING - DELINQUENT	1,065,428	0			459,688	0	0	0	0	605,740	484,592	121,148
1-E DAY CARE	488,131	0		0	217,303	0	0	0	0	270,828	216,662	54,166
1-F DAY TREATMENT - DEPENDENT	46,117	0		0	0	0	0	0	0	46,117	36,894	9,223
1-G DAY TREATMENT - DELINQUENT	376,208	0		0	208,943	0	0	0	0	167,265	133,812	33,453
1-H HOMEMAKER SERVICE	13,078	0		0	0	0	0	0	0	13,078	10,462	2,616
1-I INTAKE & REFERRAL	303,765	0		55,472	0	0	0	0	0	248,293	198,634	49,659
1-J LIFE SKILLS - DEPENDENT	60,923	0			11,210	0	0	0	0	49,713	39,770	9,943
1-K LIFE SKILLS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-L PROTECTIVE SERVICE - CHILD ABUSE	2,136,559	0		390,313	0	0			0	1,746,246	1,396,997	349,249
1-M PROTECTIVE SERVICE - GENERAL	2,141,577	0		391,173	0	0			0	1,750,404	1,400,323	350,081
1-N SERVICE PLANNING	2,043,334	0		373,241	0	0	143,800	0	0	1,526,293	1,221,034	305,259
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	108,000	0		0	0	0	0	0	0	108,000	54,000	54,000
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0		0	0	0	0	0	0	0	0	0
1-Q SUBTOTAL IN-HOME	19,438,621	0	4,052,908	1,470,218	########	0	143,800	0	0	12,417,832	10,031,978	2,385,854
COMMUNITY BASED PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
2-A ALTERNATIVE TREATMENT - DEPENDENT	25,629	0	12,154	0			0	0	0	13,475	10,780	2,695
2-B ALTERNATIVE TREATMENT - DELINQUENT	1,264,127	48,295	41,042	0			0	0	0	1,174,790	939,832	234,958
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,080,370	118,846	332,759	0			0	0	0	1,628,765	1,303,012	325,753
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,199,996	57,841	207,282	32,015			0	0	0	2,902,858	2,322,286	580,572
2-E EMERGENCY SHELTER - DEPENDENT	1,459,536	23,662	307,541	0	0	0	0	0	0	1,128,333	1,015,500	112,833
2-F EMERGENCY SHELTER - DELINQUENT	724,375	3,505	3,624	0	0	0	0	0	0	717,246	645,521	71,725
2-G FOSTER FAMILY - DEPENDENT	4,496,820	252,271	856,816	275,109		260,799	0	0	215,697	2,636,128	2,108,902	527,226
2-H FOSTER FAMILY - DELINQUENT	12,820	3,494	0	850		0	0	0	0	8476	6,781	1,695
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0		0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0		0	0	0	0	0	0	0
2-K SUBTOTAL CBP	13,263,673	507,914	1,761,218	307,974	0	260,799	0	0	215,697	10,210,071	8,352,614	1,857,457
INSTITUTIONAL PLACEMENT	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
3-A JUVENILE DETENTION SERVICE	1,955,955	123,558						0	0	1,832,397	916,199	916,198
3-B RESIDENTIAL SERVICE - DEPENDENT	144,917	14,577	39,419	0			0	0	0	90,921	54,553	36,368
3-C RES. SERVICE - DELINQUENT (NON YDC/YC)	1,864,319	74,882	111,753	39,671			0	0	0	1,638,013	982,808	655,205
3-D SECURE RES. SERVICE (EXCEPT YDC)	458,185	4,037						0	0	454,148	272,489	181,659
3-E YDC/YC (NON-SECURE)-Institutional	0	0						0	0	0	0	0
3-F YDC SECURE	2,178,712	7,259	151,172	39,671			0	0	0	2,171,453	1,302,872	868,581
3-G SUBTOTAL INSTITUTIONAL	6,602,088	224,313	151,172	39,671	0	0	0	0	0	6,186,932	3,528,921	2,658,011
4 ADMINISTRATION	2,196,065	11		401,647		0	0	0	12,924	1,781,483	1,068,890	712,593
5 TOTAL REVENUES	41,500,447	732,238	5,965,298	2,219,510	########	260,799	143,800	0	228,621	30,596,638	22,982,403	7,613,915

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED CY 370
EXPENDITURE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE										Children Served (by county)	Children Served (Purchased)	Non-PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
	1	2	3	4	5	6	7	8	9	10					
IN-HOME	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable			
1-A ADOPTION SERVICE	398,862	188,192	0	197,473	0	1,282	785,809	8	0	240	0	0			
1-B ADOPTION ASSISTANCE	0	0	7,593,608	0	0	0	7,593,608	0	1,115	0	0	0			
1-C COUNSELING - DEPENDENT	306,163	168,847	0	209,072	1,591,596	1,154	2,276,832	478	104	508	0	0			
1-D COUNSELING - DELINQUENT	0	0	0	0	1,065,428	0	1,065,428	0	394	0	0	0			
1-E DAY CARE	0	0	0	0	488,131	0	488,131	0	34	0	0	0			
1-F DAY TREATMENT - DEPENDENT	0	0	0	0	46,117	0	46,117	0	1	0	0	0			
1-G DAY TREATMENT - DELINQUENT	0	0	0	0	376,208	0	376,208	0	120	0	0	0			
1-H HOMEMAKER SERVICE	0	0	0	0	13,078	0	13,078	0	35	0	0	0			
1-I INTAKE & REFERRAL	185,706	75,036	0	42,510	0	513	303,765	1,184	0	0	0	0			
1-J LIFE SKILLS - DEPENDENT	0	0	0	0	60,923	0	60,923	0	72	0	0	0			
1-K LIFE SKILLS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0			
1-L PROTECTIVE SERVICE - CHILD ABUSE	1,150,943	518,538	0	493,691	0	4,231	2,167,403	34	0	30,844	0	0			
1-M PROTECTIVE SERVICE - GENERAL	1,124,722	539,766	0	476,008	0	4,487	2,144,983	922	4,487	3,406	0	0			
1-N SERVICE PLANNING	1,044,770	598,328	0	396,654	0	4,102	2,043,854	1,147	0	520	0	0			
1-O JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	108,000	0	108,000	0	181	0	0	0			
1-P JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0			
SUBTOTAL IN-HOME	4,211,166	2,088,707	7,593,608	1,815,408	3,749,481	15,769	19,474,139			35,518	0	0			
Number of Children receiving only NON-PURCHASED IN-Home Services															
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable			
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	25,629	0	25,629	169	2	0	0	0			
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	1,264,127	0	1,264,127	7,717	7,717	0	0	0			
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	2,080,370	0	2,080,370	17,641	145	0	0	0			
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	174,996	3,025,000	0	3,199,996	15,251	122	0	0	0			
2-E EMERGENCY SHELTER - DEPENDENT	525,498	204,326	0	194,479	549,451	0	1,473,754	6,182	187	0	14,218	0			
2-F EMERGENCY SHELTER - DELINQUENT	691,840	296,626	489,055	303,562	689,376	0	724,375	3,458	152	0	0	0			
2-G FOSTER FAMILY - DEPENDENT	0	0	0	0	2,516,407	2,179	4,499,669	72,554	459	2,849	0	0			
2-H FOSTER FAMILY - DELINQUENT	0	0	0	4,689	8,131	0	12,820	10	2	0	0	0			
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0			
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0			
SUBTOTAL CBP	1,217,338	500,952	489,055	912,725	10,158,491	2,179	13,280,740	122,982	1,151	2,849	14,218	0			
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-PS/ Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable			
3-A JUVENILE DETENTION SERVICE	1,240,777	579,118	0	146,597	32,323	0	1,998,815	4,712	255	11,863	30,997	0			
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	144,917	0	144,917	852	54	0	0	0			
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	217,214	1,647,105	0	1,864,319	11,048	113	0	0	0			
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	458,185	0	458,185	1,495	14	0	0	0			
3-E YDC/YFC (NON-SECURE)-Institutional	0	0	0	0	0	0	0	0	0	0	0	0			
3-F YDC SECURE	0	0	0	0	2,178,712	0	2,178,712	5,128	30	0	0	0			
SUBTOTAL INSTITUTIONAL	1,240,777	579,118	0	363,811	4,461,242	0	6,644,948	23,235	466	11,863	30,997	0			
4 ADMINISTRATION	760,135	370,958	0	1,070,122	0	2,308	2,203,523			7,458	0	0			
5 TOTAL EXPENDITURES	7,429,416	3,539,735	8,082,663	4,162,066	18,369,214	20,256	41,603,350			57,688	45,215	0			
County Indirect Costs = \$ 165,940															

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2010 TO JUNE 30, 2011
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 785,809	\$ 0	\$ 785,809
Adoption Assistance	7,593,608	0	7,593,608
Counseling	3,342,260	0	3,342,260
Day Care	488,131	0	488,131
Day Treatment	422,325	0	422,325
Homemaker Service	13,078	0	13,078
Intake and Referral	303,765	0	303,765
Life Skills	60,923	0	60,923
Protective Service - Child Abuse	2,167,403	0	2,167,403
Protective Service - General	2,144,983	0	2,144,983
Service Planning	2,043,854	0	2,043,854
Juvenile Act Proceedings	108,000	0	108,000
Alternative Treatment	1,289,756	0	1,289,756
Community Residential	5,280,366	0	5,280,366
Emergency Shelter	2,198,129	0	2,198,129
Foster Family	4,512,489	0	4,512,489
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,998,815	0	1,998,815
Residential Service	2,009,236	0	2,009,236
Secure Residential Service (Except YDC)	458,185	0	458,185
YDC/YFC (Non-Secure) - Institutional	0	0	0
YDC Secure	2,178,712	0	2,178,712
Administration	<u>2,203,523</u>	<u>0</u>	<u>2,203,523</u>
Combined Total Expense	41,603,350	0	41,603,350
Less Non-reimbursables	<u>102,903</u>	<u>0</u>	<u>102,903</u>
Total Net Expense	<u>\$ 41,500,447</u>	<u>\$ 0</u>	<u>\$ 41,500,447</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,429,416	\$ 0	\$ 7,429,416
Employee Benefits	3,539,735	0	3,539,735
Subsidies	8,082,663	0	8,082,663
Operating	4,162,066	0	4,162,066
Purchased Services	18,369,214	0	18,369,214
Fixed Assets	<u>20,256</u>	<u>0</u>	<u>20,256</u>
Combined Total Expense	41,603,350	0	41,603,350
Less Non-reimbursables	<u>102,903</u>	<u>0</u>	<u>102,903</u>
Total Net Expense	<u>\$ 41,500,447</u>	<u>\$ 0</u>	<u>\$ 41,500,447</u>

SECTION 4

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2011 to JUNE 30, 2012

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$	21,023,322
Supplemental Act 148			<u>116,794</u>
Total State Allocation			21,140,116
State Share (CY348) ²	\$		21,140,116
Less: Major Service Category Adjustment			<u>0</u>
Net State Share		\$	21,140,116
Less: Expenditures in Excess of the Approved State Allocation			<u>0</u>
Final Net State Share Payable ³		\$	21,140,116
Actual Act 148 Revenues Received ⁴			<u>21,140,116</u>
Net Amount Due County/(State) ⁵		\$	<u><u>0</u></u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY348
FISCAL SUMMARY

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	685,222	0	124,629	0	0	0	0	0	560,593	560,593	0
02. 90% REIMBURSEMENT	1,904,697	11,788	416,639	0	0	0	0	0	1,476,270	1,328,643	147,627
03. 80% REIMBURSEMENT	29,038,800	534,993	6,909,779	1,392,536	260,799	143,800	0	157,035	19,639,858	15,711,886	3,927,972
04. 60% REIMBURSEMENT	4,659,954	122,959	452,610	0	0	0	0	20,182	4,064,203	2,438,522	1,625,681
05. 50% REIMBURSEMENT	2,290,273	89,329	0	0	0	0	0	0	2,200,944	1,100,472	1,100,472
06. TOTAL NET CHILD WELFARE EXPEND.	38,578,946	759,069	7,903,657	1,392,536	260,799	143,800	0	177,217	27,941,868	21,140,116	6,801,752
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	2,118,051	19,029							2,099,022	1,259,413	839,609
08. NON-REIMBURSABLE EXPENDITURES	131,312	0							131,312		131,312
09. TOTAL EXPENDITURES	40,828,309	778,098	7,903,657	1,392,536	260,799	143,800	0	177,217	30,172,202	22,399,529	7,772,673
10. TOTAL TITLE IV-D COLLECTIONS	304,725										
11. TITLE IV-D Collections for IV-E Children	29,269										
12. STATE ACT 148 - line 6	21,140,116										
13. STATE ACT 148 ALLOCATION	21,140,116										
14. ADJUSTED STATE SHARE (lower of 14 or 15)	21,140,116										
INVOICE											
AMENDED STATE SHARE (ACT 148)	21,140,116										
ACT 148 AMOUNT RECEIVED	21,140,116										
ADJUSTMENT TO STATE SHARE	0										

ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY370A
REVENUE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
1-A ADOPTION SERVICE	685,222	0		124,629	0		0	0	0	560,593	560,593	0
1-B ADOPTION ASSISTANCE	7,734,590	0	3,722,931	16,250			0			3,995,409	3,196,327	799,082
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	539,885	0	42,204				0			497,681	398,145	99,536
1-D COUNSELING - DEPENDENT	1,914,973	0		112,927	415,869		0	0	0	1,386,177	1,108,942	277,235
1-E COUNSELING - DELINQUENT	1,202,661	0			588,247		0	0	0	614,414	491,531	122,883
1-F DAY CARE	488,833	0			366,704		0	0	0	122,129	97,703	24,426
1-G DAY TREATMENT - DEPENDENT	0	0					0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	19,124	0			13,369		0	0	0	5,755	4,604	1,151
1-I HOMEMAKER SERVICE	30,579	0					0	0	0	30,579	24,463	6,116
1-J INTAKE & REFERRAL	295,290	0		53,772			0	0	0	241,518	193,214	48,304
1-K LIFE SKILLS - DEPENDENT	26,604	0			8,347		0	0	0	18,257	14,606	3,651
1-L LIFE SKILLS - DELINQUENT	0	0					0	0	0	0	0	0
1-M PROTECTIVE SERVICE - CHLD ABUSE	2,184,714	0		397,731			0	0	0	1,786,983	1,429,586	357,397
1-N PROTECTIVE SERVICE - GENERAL	1,977,138	0		360,262			0	0	0	1,616,876	1,293,501	323,375
1-O SERVICE PLANNING	1,946,535	0		354,695			143,800	0	0	1,448,040	1,158,432	289,608
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	108,000	0					0	0	0	108,000	54,000	54,000
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0					0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	19,154,148	0	3,765,135	1,420,266	#####	0	143,800	0	0	12,432,411	10,025,647	2,406,764
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	18,653	5,560	0				0		0	13,093	10,474	2,619
2-B ALTERNATIVE TREATMENT - DELINQUENT	1,340,200	67,520	0				0		0	1,272,680	1,018,144	254,536
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,337,216	104,521	572,918				0		0	1,659,777	1,327,822	331,955
2-D COMMUNITY RESIDENTIAL - DELINQUENT	2,840,348	138,936	11,107	31,552			0		0	2,658,753	2,127,002	531,751
2-E EMERGENCY SHELTER - DEPENDENT	1,380,754	10,482	409,405				0	0	0	960,867	864,780	96,087
2-F EMERGENCY SHELTER - DELINQUENT	523,943	1,306	7,234				0	0	0	515,403	463,863	51,540
2-G FOSTER FAMILY - DEPENDENT	4,100,119	218,149	665,233	553,543		260,799	0	0	157,035	2,245,360	1,796,288	449,072
2-H FOSTER FAMILY - DELINQUENT	41,338	307	5,801	8,853			0		0	26,377	21,102	5,275
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0				0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0				0	0	0	0	0	0
2-K SUBTOTAL CBP	12,582,571	546,781	1,671,698	593,948	0	260,799	0	0	157,035	9,352,310	7,629,475	1,722,835
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	2,182,273	89,329					0	0	0	2,092,944	1,046,472	1,046,472
3-B RESIDENTIAL SERVICE - DEPENDENT	80,783	25,329	28,591				0		0	26,863	16,118	10,745
3-C RES. SERVICE - DELINQUENT (NON YDC/YFC)	2,050,942	91,261	46,036	51,850			0	0	0	1,861,795	1,117,077	744,718
3-D SECURE RES. SERVICE (EXCEPT YDC)	734,388	6,369					0		0	728,019	436,811	291,208
3-E YDC SECURE	2,118,051	19,029					0		0	2,099,022	1,259,413	839,609
3-F SUBTOTAL INSTITUTIONAL	7,166,437	231,317	74,627	51,850	0	0	0	0	0	6,808,643	3,875,891	2,932,752
4 ADMINISTRATION	1,793,841	0		326,133		0	0		20,182	1,447,526	868,516	579,010
5 TOTAL REVENUES	40,696,997	778,098	5,511,460	2,392,197	#####	260,799	143,800	0	177,217	30,040,890	22,399,529	7,641,361

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED CY370
EXPENDITURE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											Program Income related to all Non-Reimbursable
	1	2	3	4	5	6	7	8	9	10	11	
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
IN-HOME	343,938	179,894	7,734,590	163,964	0	813	688,609	64	1,068	3,387	0	0
1-A ADOPTION SERVICE	0	0	7,734,590	0	0	0	7,734,590	0	1,068	0	0	0
1-B ADOPTION ASSISTANCE	0	0	539,885	0	0	0	539,885	0	76	0	0	0
1-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	296,599	178,660	0	143,657	1,295,531	730	1,915,177	581	407	204	0	0
1-D COUNSELING - DEPENDENT	0	0	0	0	1,202,661	0	1,202,661	0	404	0	0	0
1-E COUNSELING - DELINQUENT	0	0	0	0	488,833	0	488,833	0	133	0	0	0
1-F DAY CARE	0	0	0	0	0	0	0	0	0	0	0	0
1-G DAY TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-H DAY TREATMENT - DELINQUENT	0	0	0	0	19,124	0	19,124	0	92	0	0	0
1-I HOMEMAKER SERVICE	186,155	83,315	0	25,611	30,579	325	295,406	1,230	0	116	0	0
1-J INTAKE & REFERRAL	0	0	0	0	26,604	0	26,604	0	25	0	0	0
1-K LIFE SKILLS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-L LIFE SKILLS - DELINQUENT	1,191,555	577,389	0	469,063	0	2,680	2,240,687	237	0	55,973	0	0
1-M PROTECTIVE SERVICE - CHILD ABUSE	1,079,424	566,424	0	330,166	0	2,924	1,978,938	1,781	0	1,800	0	0
1-N PROTECTIVE SERVICE - GENERAL	1,086,717	596,186	0	262,428	0	2,680	1,948,011	1,264	0	1,476	0	0
1-O SERVICE PLANNING	0	0	0	0	108,000	0	108,000	0	629	0	0	0
1-P JUVENILE ACT PROCEEDINGS - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
1-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
1-R SUBTOTAL IN-HOME	4,184,388	2,181,868	8,274,475	1,394,889	3,171,332	10,152	19,217,104	11,125	1,125	62,956	15,423	0
Number of Children receiving only NON-PURCHASED IN-HOME Services												
COMMUNITY BASED PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non-Reimbursable
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	18,653	0	18,653	123	1	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	1,340,200	0	1,340,200	8,689	82	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	2,337,216	0	2,337,216	19,856	62	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	173,258	2,667,090	0	2,840,348	13,236	119	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	517,943	207,860	0	242,316	390,726	37,332	1,396,177	5,274	305	0	15,423	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	28,012	495,931	0	523,943	2,498	135	0	0	0
2-G FOSTER FAMILY - DEPENDENT	611,144	339,166	0	519,550	2,630,760	1,543	4,102,163	70,765	419	2,044	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	8,797	32,541	0	41,338	374	2	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,129,087	547,026	0	971,933	9,913,117	38,875	12,600,038	120,815	1,125	2,044	15,423	0
Number of Children at IMMEDIATE RISK												
INSTITUTIONAL PLACEMENT	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	DAYS OF CARE	Children Served (Purchased)	Non-Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Non-Reim. Program Income
3-A JUVENILE DETENTION SERVICE	1,217,473	571,625	0	157,615	35,636	232,661	2,215,010	4,982	187	88	32,649	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	0	80,783	0	80,783	566	34	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	284,540	1,766,402	0	2,050,942	10,956	119	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	0	734,388	0	734,388	2,378	16	0	0	0
3-E YDC SECURE	0	0	0	0	2,118,051	0	2,118,051	4,284	30	0	0	0
3-F SUBTOTAL INSTITUTIONAL	1,217,473	571,625	0	442,155	4,735,260	232,661	7,199,174	23,166	386	88	32,649	0
ADMINISTRATION	567,274	284,744	0	957,495	0	2,480	1,811,993	0	0	18,152	0	0
TOTAL EXPENDITURES	7,098,222	3,585,263	8,274,475	3,766,472	17,819,709	284,168	40,828,309	0	0	83,240	48,072	0
County Indirect Costs = \$ 171,456												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2012
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 688,609	\$ 0	\$ 688,609
Adoption Assistance	7,734,590	0	7,734,590
Subsidized Permanent Legal Custodianship	539,885	0	539,885
Counseling	3,117,838	0	3,117,838
Day Care	488,833	0	488,833
Day Treatment	19,124	0	19,124
Homemaker Service	30,579	0	30,579
Intake and Referral	295,406	0	295,406
Life Skills	26,604	0	26,604
Protective Service - Child Abuse	2,240,687	0	2,240,687
Protective Service - General	1,978,938	0	1,978,938
Service Planning	1,948,011	0	1,948,011
Juvenile Act Proceedings	108,000	0	108,000
Alternative Treatment	1,358,853	0	1,358,853
Community Residential	5,177,564	0	5,177,564
Emergency Shelter	1,920,120	0	1,920,120
Foster Family	4,143,501	0	4,143,501
Supervised Independent Living	0	0	0
Juvenile Detention Service	2,215,010	0	2,215,010
Residential Service	2,131,725	0	2,131,725
Secure Residential Service (Except YDC)	734,388	0	734,388
YDC Secure	2,118,051	0	2,118,051
Administration	1,811,993	0	1,811,993
Combined Total Expense	<u>40,828,309</u>	<u>0</u>	<u>40,828,309</u>
Less Non-reimbursables	<u>131,312</u>	<u>0</u>	<u>131,312</u>
Total Net Expense	<u>\$ 40,696,997</u>	<u>\$ 0</u>	<u>\$ 40,696,997</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,098,222	\$ 0	\$ 7,098,222
Employee Benefits	3,585,263	0	3,585,263
Subsidies	8,274,475	0	8,274,475
Operating	3,766,472	0	3,766,472
Purchased Services	17,819,709	0	17,819,709
Fixed Assets	284,168	0	284,168
Combined Total Expense	<u>40,828,309</u>	<u>0</u>	<u>40,828,309</u>
Less Non-reimbursables	<u>131,312</u>	<u>0</u>	<u>131,312</u>
Total Net Expense	<u>\$ 40,696,997</u>	<u>\$ 0</u>	<u>\$ 40,696,997</u>

SECTION 5

AMENDED FISCAL REPORTS

FOR THE FISCAL YEAR:

JULY 1, 2012 to JUNE 30, 2013

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
COMPUTATION OF FINAL NET STATE SHARE**

Approved State Allocation ¹		\$ 22,324,162
Supplemental Act 148		<u>0</u>
Total State Allocation		22,324,162
State Share (CY348) ²	\$ 20,230,315	
Less: Major Service Category Adjustment	<u>0</u>	
Net State Share		\$ 20,230,315
Less: Expenditures in Excess of the Approved State Allocation		<u>0</u>
Final Net State Share Payable ³		\$ 20,230,315
Actual Act 148 Revenues Received ⁴		<u>20,365,018</u>
Net Amount Due County/(State) ⁵		\$ <u>(134,703)</u>

¹ Approved State Allocation is the amount of Act 148 State Funds that were budgeted for the County.

² State Share (CY348) is the total amount of County expenditures that are eligible for reimbursement from Act 148 Funds after audit adjustments are considered.

³ Final Net Share Payable is the net amount of reimbursable expenditures from Act 148 funds after audit adjustments are considered.

⁴ Actual Act 148 Revenues Received is the amount of Act 148 funds the county received.

⁵ Net Amount Due the County/(State) is the variance between the amount of Act 148 funds the county received and the Final Net State Share Payable to the county.

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED CY348
FISCAL SUMMARY**

	A	B	C	D	E	F	G	H	I	J	K
	GRAND TOTAL	PROGRAM INCOME	TITLE IV-E	TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET TOTAL	STATE ACT 148	LOCAL SHARE
NET CHILD WELFARE EXPENDITURES											
01. 100% REIMBURSEMENT	692,041	0	110,581	0	0	0	0	0	581,460	581,460	0
02. 90% REIMBURSEMENT	1,580,470	14,060	367,273	159,150	0	0	0	0	1,039,987	935,988	103,999
03. 80% REIMBURSEMENT	28,458,088	512,018	6,896,694	1,233,386	260,799	143,800	0	72,147	19,339,244	15,471,395	3,867,849
04. 60% REIMBURSEMENT	4,404,534	82,840	412,996	0	0	0	0	20,646	3,888,052	2,332,832	1,555,220
05. 50% REIMBURSEMENT	1,927,761	110,482	0	0	0	0	0	0	1,817,279	908,640	908,639
06. TOTAL NET CHILD WELFARE EXPEND.	37,062,894	719,400	7,787,544	1,392,536	260,799	143,800	0	92,793	26,666,022	20,230,315	6,435,707
YDC/YFC PLACEMENT COSTS											
07. 60% DHS PARTICIPATION	1,575,835	13,184							1,562,651	937,591	625,060
08. NON-REIMBURSABLE EXPENDITURES	59,102	0							59,102		59,102
09. TOTAL EXPENDITURES	38,697,831	732,584	7,787,544	1,392,536	260,799	143,800	0	92,793	28,287,775	21,167,906	7,119,869
10. TOTAL TITLE IV-D COLLECTIONS	337,157										
11. TITLE IV-D Collections for IV-E Children	51,204										
12. STATE ACT 148 - line 6	20,230,315										
13. STATE ACT 148 ALLOCATION	22,324,162										
14. ADJUSTED STATE SHARE (lower of 14 or 15)	20,230,315										
INVOICE											
AMENDED STATE SHARE (ACT 148)	20,230,315										
ACT 148 AMOUNT RECEIVED	20,365,018										
ADJUSTMENT TO STATE SHARE	(134,703)										

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED CY370A
REVENUE REPORT**

MAJOR SERVICE CATEGORIES & COST CENTERS	REVENUE SOURCES											
	1	2	3	4	5	6	7	8	9	10	11	12
	TOTAL REIMBURSABLE EXPENDITURES	PROGRAM INCOME	TITLE IV-E MAINTENANCE	TITLE IV-E ADMIN.	TITLE IV-E TANF	TITLE XX	TITLE IV-B	OTHER FUNDING	MEDICAL ASSISTANCE	NET REIMBURSABLE EXPENDITURES	STATE ACT 148	LOCAL SHARE
IN-HOME												
I-A ADOPTION SERVICE	692,041	0		110,581	0		0	0	0	581,460	581,460	0
I-B ADOPTION ASSISTANCE	7,633,808	0	3,623,383	16,573			0		0	3,993,852	3,195,082	798,770
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	632,786	0	125,744				0		0	507,042	405,634	101,408
I-D COUNSELING - DEPENDENT	2,159,999	0		116,211	609,722		0	0	0	1,434,066	1,147,253	286,813
I-E COUNSELING - DELINQUENT	629,128	0			215,734		0	0	0	413,394	330,715	82,679
I-F DAY CARE	440,907	0			365,816		0	0	0	75,091	60,073	15,018
I-G DAY TREATMENT - DEPENDENT	0	0			0		0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	102,078	0			42,114		0	0	0	59,964	47,971	11,993
I-I HOMEMAKER SERVICE	21,426	0			0		0	0	0	21,426	17,141	4,285
I-J INTAKE & REFERRAL	284,706	0		50,072	0		0	0	0	234,634	187,707	46,927
I-K LIFE SKILLS - DEPENDENT	0	0			0		0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0		0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,895,488	0		333,249	0			0	0	1,562,239	1,249,791	312,448
I-N PROTECTIVE SERVICE - GENERAL	2,066,965	0		363,331	0			0	0	1,703,634	1,362,907	340,727
I-O SERVICE PLANNING	2,021,865	0		355,405	0		143,800	0	0	1,522,660	1,218,128	304,532
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT	108,000	0			0		0	0	0	108,000	54,000	54,000
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT	0	0			0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	18,689,197	0	3,749,127	1,345,422	#####	0	143,800	0	0	12,217,462	9,857,862	2,359,600
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0		0			0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	706,950	27,778	23,454				0	0	0	655,718	524,574	131,144
2-C COMMUNITY RESIDENTIAL - DEPENDENT	2,116,802	125,157	534,226				0	0	0	1,457,419	1,165,935	291,484
2-D COMMUNITY RESIDENTIAL - DELINQUENT	3,294,730	122,190	48,093	28,025			0	0	0	3,096,422	2,477,138	619,284
2-E EMERGENCY SHELTER - DEPENDENT	1,293,635	13,860	364,030		82,307		0	0	0	833,438	750,094	83,344
2-F EMERGENCY SHELTER - DELINQUENT	286,835	200	3,243		76,843		0	0	0	206,549	185,894	20,655
2-G FOSTER FAMILY - DEPENDENT	4,408,849	229,718	643,553	632,954		260,799	0	0	72,147	2,569,678	2,055,742	513,936
2-H FOSTER FAMILY - DELINQUENT	41,601	7,175	0	2,421			0	0	0	32,005	25,604	6,401
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0			0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0			0	0	0	0	0	0
2-K SUBTOTAL CBP	12,149,402	526,078	1,616,599	663,400	159,150	260,799	0	0	72,147	8,851,229	7,184,981	1,666,248
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,819,761	110,482						0	0	1,709,279	854,640	854,639
3-B RESIDENTIAL SERVICE - DEPENDENT	110,857	19,132	38,244				0	0	0	53,481	32,089	21,392
3-C RES. SERVICE - DELINQUENT (NON YDC/MFC)	1,655,634	57,392	6,839	38,857			0	0	0	1,552,546	931,528	621,018
3-D SECURE RES. SERVICE (EXCEPT YDC)	772,902	6,316						0	0	766,586	459,952	306,634
3-E YDC SECURE	1,575,835	13,184								1,562,651	937,591	625,060
3-F SUBTOTAL INSTITUTIONAL	5,934,989	206,506	45,083	38,857	0	0	0	0	0	5,644,543	3,215,800	2,428,743
ADMINISTRATION	1,865,141	0		329,056			0		20,646	1,515,439	909,263	606,176
TOTAL REVENUES	38,638,729	732,584	5,410,809	2,376,735	#####	260,799	143,800	0	92,793	28,228,673	21,167,906	7,060,767

ERIE COUNTY CHILDREN AND YOUTH AGENCY
 FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
 AMENDED CY370
 EXPENDITURE REPORT

MAJOR SERVICE CATEGORIES & COST CENTERS	OBJECTS OF EXPENDITURE											
	1	2	3	4	5	6	7	8	9	10	11	12
	WAGES AND SALARIES	EMPLOYEE BENEFITS	SUBSIDIES	OPERATING	PURCHASED SERVICES	FIXED ASSETS	TOTAL EXPENDITURES	Children Served (by county)	Children Served (Purchased)	Non- Reimbursable Non PS/Sub.	Non-Reim. Purchased Serv/ Subsidies	Program Income related to all Non- Reimbursable
IN-HOME												
I-A ADOPTION SERVICE	363,269	169,094		159,136	0	738	692,237	91	0	196	0	0
I-B ADOPTION ASSISTANCE			7,633,808		0	0	7,633,808	0	1,047	0	0	0
I-C SUBSIDIZED PERMANENT LEGAL CUSTODIANSHIP	0	0	632,786	0	0	0	632,786	0	93	0	0	0
I-D COUNSELING - DEPENDENT	326,559	186,863		147,053	1,499,268	664	2,160,407	0	541	408	0	0
I-E COUNSELING - DELINQUENT	0	0			629,128	0	629,128	0	475	0	0	0
I-F DAY CARE	0	0			440,907	0	440,907	0	107	0	0	0
I-G DAY TREATMENT - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-H DAY TREATMENT - DELINQUENT	0	0			102,078	0	102,078	0	1	0	0	0
I-I HOMEMAKER SERVICE	0	0			21,426	0	21,426	0	28	0	0	0
I-J INTAKE & REFERRAL	188,827	71,952		23,688	0	295	284,762	1,363	0	56	0	0
I-K LIFE SKILLS - DEPENDENT	0	0			0	0	0	0	0	0	0	0
I-L LIFE SKILLS - DELINQUENT	0	0			0	0	0	0	0	0	0	0
I-M PROTECTIVE SERVICE - CHILD ABUSE	1,072,457	536,708		286,289	0	2,214	1,897,668	258	0	2,180	0	0
I-N PROTECTIVE SERVICE - GENERAL	1,095,184	589,599		381,438	0	2,436	2,068,657	1,978	0	1,692	0	0
I-O SERVICE PLANNING	1,134,951	644,831		240,401	0	2,362	2,022,545	1,724	0	680	0	0
I-P JUVENILE ACT PROCEEDINGS - DEPENDENT					108,000		108,000	0	431	0	0	0
I-Q JUVENILE ACT PROCEEDINGS - DELINQUENT					0		0	0	0	0	0	0
I-R SUBTOTAL IN-HOME	4,181,247	2,199,047	8,266,594	1,238,005	2,800,807	8,709	18,694,409			5,212		50
Number of Children receiving only NON-PURCHASED IN-Home Services 5,396												
COMMUNITY BASED PLACEMENT												
2-A ALTERNATIVE TREATMENT - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-B ALTERNATIVE TREATMENT - DELINQUENT	0	0	0	0	706,950	0	706,950	4,473	54	0	0	0
2-C COMMUNITY RESIDENTIAL - DEPENDENT	0	0	0	0	2,116,802	0	2,116,802	24,514	60	0	0	0
2-D COMMUNITY RESIDENTIAL - DELINQUENT	0	0	0	159,828	3,134,902	0	3,294,730	14,469	113	0	0	0
2-E EMERGENCY SHELTER - DEPENDENT	525,647	215,386	0	228,729	335,656	2,250	1,307,668	5,263	350	0	14,033	0
2-F EMERGENCY SHELTER - DELINQUENT	0	0	0	13,345	273,490	0	286,835	1,416	92	0	0	0
2-G FOSTER FAMILY - DEPENDENT	641,464	357,252	0	434,110	2,976,442	1,329	4,410,597	76,616	391	1,748	0	0
2-H FOSTER FAMILY - DELINQUENT	0	0	0	13,703	27,898	0	41,601	306	1	0	0	0
2-I SUP. INDEPENDENT LIVING - DEPENDENT	0	0	0	0	0	0	0	0	0	0	0	0
2-J SUP. INDEPENDENT LIVING - DELINQUENT	0	0	0	0	0	0	0	0	0	0	0	0
2-K SUBTOTAL CBP	1,167,111	572,638	0	849,715	9,572,140	3,579	12,165,183	127,057	1,061	1,748	14,033	0
INSTITUTIONAL PLACEMENT												
3-A JUVENILE DETENTION SERVICE	1,130,498	518,775	0	168,432	32,220	136	1,850,061	3,250	192	120	30,180	0
3-B RESIDENTIAL SERVICE - DEPENDENT	0	0	0	220,754	1,434,880	0	1,655,634	8,416	96	0	0	0
3-C RES. SERVICE - DELINQUENT (EXCEPT YDC/YFC)	0	0	0	772,902	2,630	0	772,902	2,630	22	0	0	0
3-D SECURE RES. SERVICE (EXCEPT YDC)	0	0	0	1,575,835	0	0	1,575,835	2,652	22	0	0	0
3-E YDC SECURE	1,130,498	518,775	0	389,186	3,926,694	136	5,965,289	17,668	377	120	30,180	0
3-F SUBTOTAL INSTITUTIONAL	2,260,996	1,037,550	0	1,150,302	5,383,894	272	8,824,772	24,532	413	240	60,180	0
4 ADMINISTRATION	598,862	313,125	0	959,634	0	1,329	1,872,950			7,809	0	0
TOTAL EXPENDITURES	7,077,718	3,603,585	8,266,594	3,436,540	16,299,641	13,753	38,697,831			14,889	44,213	0
County Indirect Costs = \$ 136,710												

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
AMENDED
SUMMARY OF EXPENSE AND EXPENSE ADJUSTMENTS**

COST CENTER ITEMS	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Adoption Service	\$ 692,237	\$ 0	\$ 692,237
Adoption Assistance	7,633,808	0	7,633,808
Subsidized Permanent Legal Custodianship	632,786	0	632,786
Counseling	2,789,535	0	2,789,535
Day Care	440,907	0	440,907
Day Treatment	102,078	0	102,078
Homemaker Service	21,426	0	21,426
Intake and Referral	284,762	0	284,762
Life Skills	0	0	0
Protective Service - Child Abuse	1,897,668	0	1,897,668
Protective Service - General	2,068,657	0	2,068,657
Service Planning	2,022,545	0	2,022,545
Juvenile Act Proceedings	108,000	0	108,000
Alternative Treatment	706,950	0	706,950
Community Residential	5,411,532	0	5,411,532
Emergency Shelter	1,594,503	0	1,594,503
Foster Family	4,620,576	(168,378)	4,452,198
Supervised Independent Living	0	0	0
Juvenile Detention Service	1,850,061	0	1,850,061
Residential Service	1,766,491	0	1,766,491
Secure Residential Service (Except YDC)	772,902	0	772,902
YDC Secure	1,575,835	0	1,575,835
Administration	<u>1,872,950</u>	<u>0</u>	<u>1,872,950</u>
Combined Total Expense	38,866,209	(168,378)	38,697,831
Less Non-reimbursables	<u>59,102</u>	<u>0</u>	<u>59,102</u>
Total Net Expense	<u>\$ 38,807,107</u>	<u>\$ (168,378)</u>	<u>\$ 38,638,729</u>

OBJECTS OF EXPENDITURE	AS REPORTED PER CY370	INCREASE (DECREASE)	AS AMENDED PER CY370
Wages and Salaries	\$ 7,077,718	\$ 0	\$ 7,077,718
Employee Benefits	3,603,585	0	3,603,585
Subsidies	8,266,594	0	8,266,594
Operating	3,436,540	0	3,436,540
Purchased Services	16,468,019	(168,378)	16,299,641
Fixed Assets	<u>13,753</u>	<u>0</u>	<u>13,753</u>
Combined Total Expense	38,866,209	(168,378)	38,697,831
Less Non-reimbursables	<u>59,102</u>	<u>0</u>	<u>59,102</u>
Total Net Expense	<u>\$ 38,807,107</u>	<u>\$ (168,378)</u>	<u>\$ 38,638,729</u>

**ERIE COUNTY CHILDREN AND YOUTH AGENCY
FOR THE PERIOD JULY 1, 2012 TO JUNE 30, 2013
ADJUSTMENT SCHEDULE**

REPORT REFERENCE			ADJ. NO.	EXPLANATION OF ADJUSTMENT	AS REPORTED OR ADJUSTED	INCREASE/ (DECREASE)	ADJUSTED TOTAL
SCHEDULE	LINE	COLUMN					
CY-370	2-G	5	1	CY-370 Adjustment			
				Foster Family - Dep. - Purchased Services To decrease Purchased Services by \$168,378 to eliminate an unallowable expense whereby the agency had erroneously reimbursed a provider for their financial loss on the Kinship Care Program, as detailed in Finding No. 4 of this report. Title 55 PA Code, Chapter 3170.93(c)	\$ 3,144,820	(168,378)	2,976,442

SECTION 6

STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

ERIE COUNTY CHILDREN AND YOUTH AGENCY
STATUS OF PRIOR ENGAGEMENT FINDING AND RECOMMENDATION

**STATUS OF PRIOR ENGAGEMENT FINDING FOR FISCAL YEAR JULY 1, 2007
TO JUNE 30, 2008**

Finding – Erie County Children and Youth Services Did Not File its Quarterly Reports on
Time

Even though the Erie County Children and Youth Agency did not file all of its Act 148 fiscal reports with the DHS in a timely manner during the current engagement period, as a result of DHS implementing significant changes to the child social services' reporting system which caused unavoidable delays in the filing of these reports, we concluded that a reissuance of this finding was not warranted.

SECTION 7

CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 1 - Erie County Office of Children & Youth Failed to Provide Supporting Documentation Evidencing that In-Home Purchased Services Paid For Were Actually Provided by the Contracted In-Home Purchased Service Providers

Condition: During our current engagement, for the 2008-2009, 2009-2010, 2010-2011, 2011-2012, and 2012-2013 fiscal years, we found that, for the 14 In-Home Purchased Service providers judgmentally selected for review of submitted invoices out of 48 different In-Home Purchased Service providers utilized by the agency throughout said fiscal years, the Erie County Office of Children & Youth (agency) failed to provide supporting documentation evidencing that the In-Home Purchased Service fees invoiced, and subsequently paid by the agency, were actually provided, and if provided, provided in adherence to the requirements of the respective provider contract terms.

Furthermore, the agency informed us that, for the five years of our engagement scope period, they did not require any documentation from the 14 contracted In-Home Purchased Service providers, other than their submitted invoices, to substantiate the fees invoiced by the respective providers. The agency did retain and provide us with the approved submitted invoices received from the 14 In-Home Purchased Service Providers for the \$1,794,904 in expenditures we selected for detailed review, out of a total of \$16,985,420 paid to the 48 In-Home Purchased Service providers during the five fiscal years included in our engagement scope period. While we were able to reconcile Total In-Home Purchased Service expenditures reported on the agency's submitted CY-370 Expenditure Report to the corresponding CY-383 Fee-For-Service Schedule and to the agency's general ledger for each respective fiscal year, the agency failed to provide us evidence substantiating that In-Home Purchased Services paid for were actually provided to children and their families and were allowable per DHS regulations. As a result, we cannot conclude with assurance that the In-Home Purchased Service expenditures paid for and reported on the CY-370 Expenditure Report were actually provided and adhered to key executed contract provisions and DHS regulations.

Criteria: 55 Pa. Code Chapter 3140. Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs.

- *Section 3140.21. Reimbursement for Services. General.* "(a) Under section 704.1 of the Public Welfare Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the Public Welfare Code (62 P.S. § 709.3)."

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

- *Children, Youth and Families Bulletin 3140-06-06: Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report.* This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

In addition, 55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.85. Responsibility of the County.* "...the county executive officers shall be responsible for the effective execution of each purchase of service agreement..."
- *Section 3170.91. County Responsibility.* "The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program."
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* "County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed..."
- *Section 3170.93(e). Service contracts or agreements, states, in part: "(1) Services purchased by contract or agreement Purchased Service contracts or agreements shall also include the following:****
 - (xii) Unit of service to be provided and their definitions."

Cause: Agency management informed us that they conducted annual budget meetings with all of their in-home providers wherein they discussed their work statements, budget forms, cost allocation plans, outcomes, and service projection charts. However, they failed to implement effective monitoring procedures for In-Home Purchased Service Providers and/or require supporting documentation from these providers evidencing that invoiced In-Home Purchased Services were actually provided, and allowable per DHS regulations, prior to the agency paying these submitted invoices and including the expenditures on the agency's CY-370 Expenditure Reports and corresponding CY-383 Fee-For-Service Schedules submitted to the Commonwealth DHS for reimbursement for each fiscal year included in our scope period.

Agency management did inform us that during the 2012-13 fiscal year, as a result of a Single Audit Finding, the agency implemented a Compliance Review Tool for all In-Home and Residential Purchased Service providers via the use of distributed questionnaires and the conduct of random follow-up site visits by the agency's Assistant Accounting Manager and

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

the Human Service Department's Accounting Manager to confirm the accuracy of these providers' responses to the questionnaires. Agency management further informed us that, within the same fiscal year, they assigned designated agency staff as "Contract Administrators" responsible for visiting all In-Home Service providers at least once per year.

While agency management provided us a copy of the agency's Compliance Review Tool and documentary evidence of a follow up site visit conducted by the agency's Assistant Accounting Manager and the Human Service Department's Accounting Manager of a provider to confirm the accuracy of the provider's questionnaire responses, we determined that no documentation existed to substantiate the annual In Home Service provider site visits conducted by the designated Contract Administrators. Furthermore, we determined that the agency failed to issue any formal, written policies or procedures detailing these compliance monitoring processes.

Furthermore, in the 2014-2015 fiscal year, the agency utilized an outside consultant to specifically perform detailed monitoring reviews of In-Home Purchased Service Providers selected by the outside consultant. As a part of our auditing procedures, we requested and reviewed a copy of one of the outside consultant's issued monitoring reports on five randomly selected In-Home Purchased Service providers.

We were impressed with the outside consultant's testing strategies and recommendations to the selected providers to address deficiencies in their documentary evidence maintenance process. Yet, during the course of our engagement, we were informed by the agency's Assistant Manager of Accounting that the results of these monitoring reports are not shared with agency fiscal staff responsible for approving for payment invoices submitted by In-Home Purchased Service providers.

However, in follow-up communications, the Human Service Department's Accounting Manager clarified that as part of the outside consultant's monitoring process, the consultant does discuss the original findings with the Assistant Manager of Accounting who is responsible for approving the invoices and discussing the strategies for correction but the results are not discussed with other agency fiscal staff because they do not approve In-Home Purchased Service invoices - only the Assistant Manager of Accounting approves these types of invoices. Furthermore, we determined that the agency failed to issue any formal, written procedures outlining what the consultant is responsible for reviewing during the monitoring visits, the process by which the recommendations are communicated to the provider and agency, and the proper procedures for implementation of Corrective Action Plans. We will follow up on the agency's procedures in this area during our next audit of the agency.

Effect: The agency's failure to provide supporting documentation evidencing that In-Home Purchased Services paid for were actually provided to children and their families, and if

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

provided, allowable per DHS regulations, prevents us from substantiating the propriety of the costs reported on the agency's respective submitted CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, for the fiscal years included in our scope period. This led to our audit concern of the existence of an increased risk of overbillings and fraudulent billings by In-Home Purchased Service Providers that may have gone undetected by the agency, resulting in the possibility of inappropriate reimbursement payments being made by the agency to these types of providers and the agency's inaccurate invoicing of these overpayments to the Commonwealth DHS and, in turn, the agency's receipt of Act 148 funds to which it may not be entitled.

The effects of the agency's lack of monitoring and substantiation of In-Home Purchased Services is also evidenced in the issues cited in Findings Nos. 2 and 3 wherein we detail the identified deficiencies related to one specific In-Home Purchased Service Provider that we reviewed during the scope of our engagement.

Recommendation: We recommend that agency management establish and implement routine monitoring of In-Home Purchased Service Providers to ensure that invoiced services were actually rendered according to key executed contracted terms prior to submitted invoices being approved for payment and prior to the inclusion of these expenditures on the agency's submitted CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, upon which Act 148 state reimbursement is based by the Commonwealth DHS. Specifically, the agency should develop and implement formal, written monitoring procedures to ensure contracted services were actually provided. These monitoring procedures should include, but not be limited to, the following:

- Randomly request, from each In-Home Purchased Service provider with which the agency has an executed contract in the respective fiscal year, supporting documentation evidencing that invoiced services were actually provided.
- Performance of on-site monitoring visits of In-Home Purchased Service Providers to determine whether appropriate supporting documentation evidencing that invoiced services were actually provided.
- Development and implementation of formal policies and procedures detailing how the identified provider deficiencies will impact the payment process for submitted invoices.
- Development and implementation of formal follow up procedures to determine whether cited providers took appropriate corrective action, and the resulting repercussions, if providers failed to do so.
- Development and implementation of a formal documentation and communication process that ensures agency staff responsible for reviewing and approving submitted invoices for payment are made aware of the results of monitoring reviews of providers

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

and impact on the agency's review and approval process of those providers' submitted invoices for which significant documentation deficiencies were identified.

Agency Response: The Erie County Office of Children & Youth submitted a response whereby they agreed with this finding.

Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's development and implementation of formal, written monitoring procedures for In-Home Purchased Service providers.

ERIE COUNTY CHILDREN AND YOUTH AGENCY
CURRENT ENGAGEMENT FINDINGS AND RECOMMENDATIONS

Finding No. 2 – Questionable Billing Practices by a Provider of In-Home Preventative Services Related to the Erie County Office of Children & Youth’s Failure to Provide Evidence to Substantiate the Provision of Services and the Corresponding Fees Charged

Condition: In January of 2016, our Department received a citizen’s complaint alleging fraudulent billing through the Parents as Teachers (PAT) program for child care provided during the conduct of the 1-2-3 Magic Class by one of the service providers used by the Erie County Office of Children & Youth (agency). As a follow up to this complaint, we performed detailed testing procedures related to the service fees paid by the agency to this In-Home Preventative Service provider during our engagement scope period covering the 2008-2009, 2009-2010, 2010-2011, 2011-2012, and 2012-2013 fiscal years. Through our review, we identified potential billing issues as to whether the fees charged on the provider’s submitted invoices were properly classified, adequately supported, and in compliance with the agency’s executed contract with the provider; the specific results of our review are detailed below.

Over the course of the noted five fiscal years included in our engagement scope period, the agency paid this provider a total of \$1,218,089 for In-Home Preventative Services, for which \$943,417 was reported on the agency’s CY-370 Expenditure Reports and corresponding CY-383 Fee-For-Service Schedules submitted to the Commonwealth DHS for reimbursement through the Act 148 Invoice Packages. The balance of these expenditures, totaling \$274,672, were reimbursed through state special grants, one of which is the FGDM grant we discuss in Finding No. 3 of this report.

In response to our request, the agency provided all of the invoices to support the \$1,218,089 paid by the agency to this In-Home Preventative Services’ Provider for all five years of the engagement scope period. Through our review of these invoices, we found that, of the \$1,218,089 paid to this In-Home Preventative Service provider, \$585,245 were charges invoiced to and reimbursed by the agency for families served through the PAT program. Furthermore, as detailed in the table below, we also found that the charges billed to the agency by the provider for the provision of services through the PAT program significantly increased during the 2012-2013 fiscal year in comparison to the previous two years:

FISCAL YEAR	PAT PROGRAM CHARGES	PERCENTAGE INCREASE
2008-2009	\$66,323	
2009-2010	\$93,283	41%
2010-2011	\$103,826	11%
2011-2012	\$122,688	18%
2012-2013	\$199,125	62%
Total	\$585,245	

ERIE COUNTY CHILDREN AND YOUTH AGENCY
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As indicated in the table on the previous page, between the 2008-2009 fiscal year and the 2011-2012 fiscal year, the summation of the annual percentage increases in PAT program charges totals approximately 70 percent; this increase includes a 2011-12 fiscal year contracted rate increase which accounts for 50% of the 18% increase in costs that occurred from 2010-2011 to 2011-2012 fiscal years, whereas, between the 2011-2012 and the 2012-2013 fiscal years, PAT program charges increased 62 percent.

Through discussions with agency management, we determined that the provider appointed a new executive director approximately six months after the start of the 2011-2012 fiscal year to oversee the operations of the preventative services programs, including the PAT program, offered by this provider. We further determined through discussions with agency management that by March of 2013, this provider had billed the agency for the 2012-2013 PAT and other preventative services programs total contracted amount of \$204,074. While this provider continued to bill the agency for program services through the end of the 2012-2013 fiscal year, the agency did not pay the invoices submitted by this provider for services rendered in the months of April, May, and June of 2013 since the provider had already maxed out its contract for this fiscal year.

However, when agency management realized that the agency's total annual expenditures for the 2012-13 fiscal year fell below the total available Act 148 Allocation for that fiscal year, agency management decided to execute contract addendums with this provider and other providers who were still owed funds for services rendered during the 2012-13 fiscal year. As a result, this provider's maximum contract amount was increased by \$57,719, from \$204,074 to \$261,793, which encompasses \$57,625, the exact amount of charges invoiced by this provider for the months of April, May, and June of 2013 plus \$94 for the balance owed to the provider on the March invoice since the agency had not initially paid the full amount since the provider reached their original contract maximum. Of the total \$261,793 invoiced by the provider and paid by the agency, \$199,125 was paid for services invoiced under the PAT program and the remainder of \$62,668 was for services invoiced under the Human Service Coordination, Parent Skills Training, Teen Programming, and the Summer Recreational programs. Given that the PAT program costs (\$199,125) accounted for 76 percent of total program costs (\$261,793) billed to and paid by the agency for the 2012-13 fiscal year, it is evident that the significant increase in PAT program billings submitted by the provider was the cause for the contract addendum that allowed the agency to pay this provider additional funds over and above the original executed 2012-2013 contract amount.

However, the agency's decision to execute a contract addendum to increase the maximum contract amount for this provider was inappropriately driven by the realization that the agency's total annual expenditures fell below its Act 148 allocation for the 2012-13 fiscal year as opposed to evidence from the provider of the need for increased program services. Consequently, as detailed in Finding No. 1, the agency was unable to provide our auditors

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with any substantiation, other than this provider's submitted invoices, to evidence an increase in the number of families being served by this In-Home Purchased Service provider and/or an increase in the cost of services being rendered. Furthermore, this same provider also invoiced the agency for, and the agency reimbursed, the maximum contract amount for the FGDM program in the 2011-2012 and 2012-2013 fiscal years without any documentation to substantiate the propriety of the costs, as detailed in Finding No. 3, beginning on page 49 of this report.

Since the agency failed to provide evidence substantiating that In Home Purchased Services paid for were actually provided and allowable, as detailed in Finding No. 1, we selected one paid invoice submitted from this In-Home Preventative Services' Provider during the 2012-2013 fiscal year and requested that the agency obtain from the provider supporting documentation substantiating that the invoiced services were actually provided and in compliance with contract requirements. Upon review of this documentation, we found that the provider billed the agency through the PAT Program for what appeared to be care for the children whose parents attended the 1-2-3 Magic Class (Parenting Skills Training). We also found that the provider billed for each child when the PAT program related home visits and monthly Parent Connections Group (PCG) meetings were conducted. While the provider's contract did include fee-for-service rates per quarter hour for the PAT and Parenting Skills Training programs, the contract did not contain any specific provisions related to the fee-for-service rate being applicable to children receiving child care or attending meetings during the conduct of services for either parenting program.

Criteria: 55 Pa. Code Chapter 3140. Planning and Financial Reimbursement Requirements for County Children and Youth Social Service Programs.

- *Section 3140.21. Reimbursement for Services. General.* "(a) Under section 704.1 of the Public Welfare Code (62 P.S. § 704.1), the Department reimburses expenses incurred by the county for children and youth social services, including services to alleged and adjudicated dependent and delinquent children according to an approved county plan and budget estimate up to the amount of State funds allocated to the county under section 709.3 of the Public Welfare Code (62 P.S. § 709.3)."
- *Children, Youth and Families Bulletin 3140-06-06: Act 148 Invoicing Procedures for County Child Social Services - Instructions for Completion of Expenditure Report.* This form is a report of the ACTUAL EXPENDITURES of the County Children and Youth Agency (CCYA).

55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.85. Responsibility of the County.* "...the county executive officers shall be responsible for the effective execution of each purchase of service agreement..."

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- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* “County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed....”
- *Section 3170.93(e) Service contracts or agreements, states, in part:*
 - “(1) Purchased Service contracts or agreements shall also include the following:
(xii) Unit of service to be provided and their definitions.”

Cause: Agency management stated that, during the 2012-2013 fiscal year, this provider had drawn down their entire contract amount by March of 2013 and, since the agency found themselves in an “under-match” situation (i.e., the agency’s qualifying expenditures for Act 148 reimbursement had not yet reached DHS’ maximum allocation amount for the fiscal year), the agency amended this provider’s contract, along with the contracts of several other providers, to pay them for services these providers stated they had actually provided [according to the provider invoices] and then they continued to pay the invoices submitted by this provider through June 2013. However, the agency was unable to provide any family service records from the provider to support the increased service needs or increased costs.

Agency management also asserted that they did not pay for any child care costs associated with the PAT program or the 1-2-3 Magic Classes. According to management, when the PAT program services are being provided through the parents’ home visits, the service charges occur for the children in the home. As for the PCG (PAT Program Class) and 1-2-3 Magic Classes, which are both classroom style training of parenting skills, the service rates billed by the provider for the children whose parents attended the classes are for the children attending their own separate class which runs concurrently with the parenting classes. And while agency management acknowledges that the contract does not specify that the fee-for-service rate applies to both the parents and their children, agency management stated that the contract does not expressly bar applying the fee-for-service rate to the parents and their children.

Effect: As a result of agency management failing to require this provider to substantiate the dates, types, and amounts of preventative services provided to children and their families and the corresponding fees charged, agency management did not validate the propriety and proper

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classification of the invoiced costs nor determine whether such costs were allowable and in compliance with the agency's executed key contract terms with the provider. In addition, due to the agency's failure to review and corroborate the basis for the increase in the provider's maximum contract amount, agency management could have paid for program services not actually provided to individuals listed on the invoice or they could have paid for unallowable services. Consequently, there is an increased likelihood that overbillings and fraudulent billings could have occurred and not been detected, resulting in the possibility of inappropriate reimbursement payments being made by the agency to this provider and the agency's inaccurate invoicing of these payments to the Commonwealth DHS for reimbursement of Act 148 funds to which the agency may not be entitled.

Recommendation: We recommend that agency management establish and implement adequate controls over the review and approval process of invoices submitted by In-Home Purchased Service providers to ensure, before invoices are paid, that invoiced services were actually provided, the fees charged are properly classified, adequately supported, and in compliance with the executed contract.

We also recommend that agency management establish written policies and procedures related to the review and documentation process utilized to evidence this In-Home Preventative Service provider's increase, as well as all In-Home Preventative Service providers' increases, in family services and corresponding costs, thus, requiring contract addendums. Specifically, within this written policy, agency management should detail the type of documentation required by the provider to support the increased number of families served, the type of services needed by the families, and the cost of these services; the agency should also detail their review and approval procedures required to execute a contract addendum with a provider.

In addition, we recommend that agency management ensure that all future contracts with this provider, as well as all In-Home Preventative Service providers, specifically stipulate the application of the fee for service rates for the children and/or the parents and also require that all charges billed to the agency be based on services actually provided, not based upon the maximum contract amount allowed.

Furthermore, agency management must ensure that all costs reported on the agency's submitted CY-370 Expenditure Reports, and corresponding CY-383 Fee-For-Service Schedules, represent actual expenditures incurred for services provided in the respective fiscal year and that these costs are allowable and have been sufficiently substantiated to justify reimbursement by the Commonwealth DHS.

Agency Response: The Erie County Office of Children & Youth submitted a response whereby they agreed with this finding.

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Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's establishment and implementation of adequate controls over the review and approval process of invoices submitted by In-Home Purchased Service providers. We will also follow up on the agency's development of written policies and procedures related to the agency's review and documentation process utilized in granting contract addendums to In-Home Preventative Service providers for increased costs. Further, we will ensure that future contracts with this In-Home Preventative Service provider, as well as all In-Home Preventative Service providers, specifically stipulate the application of the fee for service rates for children and/or the parents. Finally, we will also follow-up on whether the agency revised its operating practice to require that all charges billed to the agency must be based on services actually provided, and not the maximum contract amounts allowed.

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Finding No. 3 - Erie County Office of Children & Youth Reimbursed an In-Home Preventative Service Provider Participating in the Family Group Decision Making Program for Actual Personnel and Other Operating Costs in Violation of the Agency's Executed Contracts with the Provider

Condition: With respect to the In-Home Preventative Service provider referenced in Finding No. 2, we also found that, in the 2011-2012 and 2012-2013 fiscal years, the Erie County Office of Children & Youth (agency) reimbursed this provider \$21,300 and \$33,400, respectively, for what this provider deemed as its actual personnel and other operating costs related to the Family Group Decision Making (FGDM) program, in violation of the agency's executed contracts with this provider for both fiscal years.

For both fiscal years, the County's contract with the provider stipulated the specific family conference fees eligible for reimbursement, up to a maximum amount of \$61,300. There was no contract provision that granted the provider authorization to bill the agency, or the agency to reimburse the provider, for actual personnel and other operating costs over and above the agreed upon fee-for-service rates.

The billings for what the provider deemed as actual personnel and other operating costs were submitted to the agency towards the end of each fiscal year in the form of program funded invoices. Yet, according to DHS' standard operating practice, program funded costs should only be billed during the start-up of a new service program, for up to two years; after which, specific fee-for-service rates should be established and utilized for the reimbursement of future personnel and operating costs. The requirement to reimburse the provider for its actual start-up personnel and operating costs affiliated with the FGDM program was included in their contract with the agency for the 2008-2009 fiscal year.

However, beginning with the 2009-2010 fiscal year through the 2012-2013 fiscal year, defined fee-for-service rates to be used to reimburse the provider for personnel and operating costs were established and included in the provider's annual, executed contracts with the agency. Therefore, the personnel and other operating costs billed by the provider, and reimbursed by the agency, for the 2011-2012 and 2012-2013 fiscal years are in violation of the executed contracts since a fee-for-service rate had been established for this provider.

In addition, we found that in both fiscal years noted, the agency failed to request/obtain sufficient documentation from the provider to substantiate the invoiced FGDM program costs for personnel and operating expenses. In response to our department's request for evidence substantiating the provider's invoiced FGDM costs, the agency relayed that they could not provide us with this documentation. We then requested that the agency obtain substantiation from the provider evidencing the invoiced costs.

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However, the only documentation the provider could furnish for both fiscal years was the provider's Statement of Income and Expenses which encompassed all service programs' income and expenses, not just those related to the FGDM program. The provider could not provide detailed documentation substantiating the specific FGDM personnel and operating costs billed to the agency.

While the FGDM funding comes from the same pool of funds as the Act 148 funding, the FGDM costs are reimbursed by the Commonwealth DHS through a Special Grant Initiative, not through the Act 148 Invoice Package. As such, the agency did not claim these expenses on their CY-370 Expenditure Report and corresponding CY-383 Fee-For-Service Schedule; thus, adjustments to disallow these costs for each fiscal year are not warranted. However, as with Act 148 funds, the agency is still responsible for the proper use of the State Special Grant funds and for the maintenance of sufficient documentation to support the corresponding grant expenditures, pursuant to DHS regulations.

Criteria: 55 Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.85. Responsibility of the County.* "...the county executive officers shall be responsible for the effective execution of each purchase of service agreement..."
- *Section 3170.91. County Responsibility.* "The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program."
- *Section 3170.92(b). Accountability for Expenditures for Clients. Records Maintenance.* "County agencies shall maintain sufficient and appropriate records and data to justify payment for expenses by the Department. The local authorities or contractors shall maintain books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for funds supported by the Department and for which reimbursement is claimed...."

Cause: Agency management stated these FGDM [program funded] invoices were used in order for the provider to draw down the entire contract amount for those fiscal years, as the provider did not have enough clients in order to draw down the full amount. According to agency management, the provider still incurred the expenses but the referrals did not come in as expected so they decided to let the provider draw down their expenses on a program funded basis, up to the maximum amount of their contract. In addition, agency management stated there is no exact backup for the invoices, as they only program funded portions of the provider's expenses. The provider then took the amount left in their contract and spread it across their expenses.

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Effect: As a result of agency management reimbursing the provider in violation of the executed contracts and failing to require the submission of documentation from the provider substantiating the actual personnel and other operating costs invoiced by the provider, agency management failed to validate the propriety of these submitted costs before reimbursement was paid. As a result, there is an increased risk that overbilling of reimbursable costs and/or billing for costs unrelated to the FGDM program costs could have occurred and led to inappropriate reimbursement payments by the agency and improper invoicing to the Commonwealth DHS for reimbursement through special grant funds.

Recommendation: We recommend that agency management ensure all reimbursement payments made to providers, especially those that are program funded, are in compliance with the established fee schedules detailed in executed contracts between the County/Agency and the respective providers and that the agency discontinue its practice of allowing providers to draw down entire contract amounts without evidence of valid, allowable costs. In addition, the agency should establish and implement procedures to substantiate the propriety of all future FGDM and other special grant fund expenditures prior to reimbursement payments being made to the provider and prior to invoicing the Commonwealth DHS for reimbursement through a Special Grant Initiative. We further recommend that the Commonwealth DHS review the propriety of the above grant expenditures and determine whether the agency should be made to return these special grant funds.

Agency Response: The Erie County Office of Children & Youth submitted a response whereby they agreed with this finding.

Auditor's Conclusion: During our next audit of the agency, we will review the FGDM grant fund expenditures, especially those billed in the form of program funding, to ensure the reimbursement payments made to providers are in compliance with the fee schedules detailed in the executed contracts and that the costs billed by the providers were valid and allowable per DHS regulations. We will also follow up on the agency's development and implementation of procedures to substantiate the propriety of all FGDM special grant fund expenditures. Finally, we will follow up on whether the agency discontinued its practice of allowing providers to draw down entire contract amounts without evidence of valid, allowable costs.

Furthermore, we will follow up with DHS regarding the propriety of the above grant expenditures to determine if the grant funds should be returned to the Commonwealth.

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Finding No. 4 – Erie County Office of Children & Youth Made an Unallowable Payment to a Residential Provider as Reimbursement for their Financial Loss on the Provision of Kinship Care Services

Condition: During our current engagement, for the 2012-2013 fiscal year, we found that the Erie County Office of Children & Youth (agency) made an inappropriate and unallowable payment, in the amount of \$168,378, to a Residential Provider as reimbursement for the provider's financial loss incurred on the provision of Kinship Care Services to the children served by the agency. On August 8, 2013, subsequent to the June 30, 2013 fiscal year end, the provider requested, via letter to the agency Director, that the agency compensate them for the financial loss that the Kinship Care program suffered for the 2012-2013 fiscal year, as a result of the contracted \$6.50 per day administrative fee-for-service rate being insufficient to cover the provider's administrative costs associated with providing Kinship Care Services.

In turn, the agency Director authorized the fiscal staff to approve and execute the requested payment to this provider. However, this \$6.50 administrative fee-for-service rate, in addition to daily rates ranging from \$22 to \$83.50 for Kinship Care services provided, was agreed upon and included within the executed 2012-2013 fiscal year contract between the provider and the agency, thus, the reimbursement of additional administrative costs is considered unallowable, as it is in violation of the provider's executed contract. In addition, per DHS regulations, the agency is not permitted to retroactively increase the rate of reimbursement to a provider.

Furthermore, similar to the issues cited in Finding Nos. 1, 2, and 3, we found that the agency failed to obtain sufficient documentation from the provider to substantiate the propriety of the loss amount calculated by the provider. In response to our department's request for evidence substantiating the agency's payment of the provider's loss, and the calculated amount of the loss, the agency furnished us only with a copy of the provider's internally prepared Net Income Statement, detailing the provider's calculations of revenues and expenses for the Kinship Care Program, which was attached to the provider's request letter referenced above.

This Net Income Statement details all Revenues and Expenses of the Kinship Care Program and the calculated loss to the program of \$168,378; however, the statement does not distinguish that the loss is attributable to the administrative fees. We were provided no evidence indicating the agency reviewed any additional financial records of the provider to validate the revenue and expense amounts included on the provider's internally prepared Net Income Statement. Even though this expenditure would still be unallowable even if the agency had based its approval on substantiated evidence of the provider's loss amount, the fact that agency management approved this request for payment without even requiring such substantiation evidences agency management's continued pattern of failing to substantiate providers' invoiced amounts.

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Criteria: Title 55, Pa. Code § 3170. Allowable Costs and Procedures for County Children and Youth.

- *Section 3170.91. County Responsibility.* “The county is responsible for the general fiscal management of the county agency. This includes maintaining fiscal records of expenditures and revenues of the program, providing data for budgeting and expenditure reporting to the Department, monitoring the financial activities of the program, and other activities related to the fiscal operations of the program.”
- *Section 3170.93(c). Contracts. Conformity.* “The contract shall provide for conformity with the regulations or procedures promulgated by the Department. The contract shall specify the types of services provided by the contracting agency for the county. In the case of unit of service agencies, the rate of reimbursement for a service shall be cited. In no case shall a provider agency be retroactively awarded an increased rate of reimbursement.”

Cause: Agency management stated that in this circumstance the provider had asked for an increase to the kinship care program rate for several years and had not received one. As the 2012-2013 fiscal year came to a close and the agency had additional funding, they decided to consider this provider’s request; the agency emphasized that this is not a routine practice and rarely occurs. Agency management further stated that the provider’s administrative costs were averaging about \$13.62 per day but the agency was only paying the provider \$6.50 per day; thus, the basis for reimbursing the provider to make them whole for expenses incurred.

Effect: Because the agency reimbursed this provider for its 2012-2013 Kinship Care Program financial loss, in violation of the executed contract and unallowable per DHS regulations, the total expenditures submitted to DHS for reimbursement, via the agency’s CY-370 Expenditure Report and corresponding CY-383 Fee-For-Service Schedule, for the 2012-2013 fiscal year were overstated by \$168,378. As a result, inappropriate state reimbursement occurred and the agency received and had use of, excess Act 148 state funds to which it was not entitled.

Therefore, we issued an audit adjustment to decrease expenditures by \$168,378, as detailed in Adjustment No. 1 on page 34 of this report, to recapture these excess Act 148 state funds. Furthermore, given the agency management’s statement that this request, like others in the past, was approved because at the close of the 2012-2013 fiscal year funding was still available, similar to the issues cited in Finding Nos. 1, 2, and 3, agency management once again has demonstrated that they are awarding funds based on funding being available at year end as opposed to substantiated evidence that additional agreed upon needed services were actually provided. Finally, agency management’s willingness to make payments of this nature show a lack of understanding of, or disregard for, the requirements of DHS regulations in situations such as this.

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Recommendation: We recommend that agency management establish and implement procedures to verify the accuracy and propriety of charges billed by providers, ensure all reimbursement payments made to providers are in compliance with the established fee-for-service rates detailed in the executed contracts between the County/Agency and the respective providers, and that the expenditure payments made to providers are allowable per DHS regulations. In addition, the agency should discontinue its practice of inappropriately compensating providers for financial losses incurred on program services provided and erroneously including these costs on its CY-370 Expenditure Report, and corresponding CY-383 Fee-For-Service Schedule, submitted to the Commonwealth DHS for reimbursement of Act 148 state funds, as this practice exposes the agency to potential fraud by providers.

We further recommend that the agency implement procedures to obtain sufficient documentation from the provider to substantiate the propriety of all expenditures prior to reimbursement payments being made to the provider and prior to invoicing the Commonwealth DHS for reimbursement of Act 148 state funds.

Finally, we recommend that agency management re-familiarize themselves with DHS regulatory requirements for authorizing payments to contracted service providers.

Agency Response: The Erie County Office of Children & Youth submitted a response whereby they agreed with this finding.

Auditor's Conclusion: During our next audit of the agency, we will follow up on the agency's establishment and implementation of procedures to verify the accuracy and propriety of charges billed by providers and to obtain sufficient documentation from the provider as substantiation of these charges. We will also follow up on whether the agency discontinued its practice of inappropriately compensating providers for financial losses incurred on program services provided and erroneously including these costs on its CY-370 Expenditure Report, and corresponding CY-383 Fee-For-Service Schedule, submitted to the Commonwealth DHS for reimbursement of Act 148 state funds. Finally, we will follow up on whether agency management took appropriate steps to re-familiarize themselves with DHS regulatory requirements for authorizing payments to contracted service providers.

SECTION 8

CURRENT ENGAGEMENT OBSERVATION

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CURRENT ENGAGEMENT OBSERVATION

Observation – Significant Control Deficiencies Exist in DHS’ Oversight of Children and Youth (C&Y) Agencies’ Adherence to Child Protective Services Law (CPSL) Requirements

The Child Protective Services Law¹ (CPSL) requires the conduct of criminal background checks and child abuse history clearances (certifications) for all employees and direct volunteers of county children and youth (C&Y) agencies as well as the volunteers/employees of these agencies’ contractors (providers) and subcontractors (sub-recipients).² To ensure adherence to these requirements, the Commonwealth DHS has assigned monitoring responsibilities to internal offices and bureaus based on the types of services provided.

As a part of its annual licensing inspection process of county C&Y agencies, the Commonwealth DHS’ Office of Children, Youth and Families (OCYF) performs reviews of agency employees and agency foster parents’ adherence to the requirements of the CPSL. The OCYF also performs CPSL adherence reviews of employees of contracted foster family agencies through its annual licensing inspection of these providers. However, because the OCYF is behind in its completion of these annual inspections and does not have adequate procedures in place to determine whether C&Y agencies are monitoring their respective providers’ and sub-recipients’ adherence to the CPSL, as detailed in the Commonwealth of Pennsylvania Single Audit Reports (most recently for the fiscal year ended June 30, 2015, via Finding 2015-020), the safety of children receiving services from these agencies and their contractors and subcontractors may be at risk.

Furthermore, beginning July 1, 2012, the DHS Bureau of Human Services’ Licensing (bureau) took over the responsibility for the performance of the annual licensing inspections of Child Day Treatment Centers and Child Residential Facilities which encompasses the performance of CPSL adherence reviews of the employees of these providers. Prior to July 1, 2012, the DHS OCYF had been responsible for performing these CPSL adherence reviews

¹ Please note that the CPSL was extensively amended in 2013, 2014, and 2015 with 24 pieces of legislation “[being] enacted, changing how Pennsylvania responds to child abuse. These changes will significantly impact the reporting, investigation, assessment, prosecution and judicial handling of child abuse and neglect cases. The new laws will expand and further define mandatory reporters and the reporting process, increase penalties for those mandated to report suspected child abuse who fail to do so, and provide protections from employment discrimination for filing a good faith report of child abuse.” See <http://keepkidssafe.pa.gov/laws/index.htm> last accessed on September 2, 2016. Please note that although this particular DHS’ keepkidssafe.pa.gov link only refers to 23, instead of 24, pieces of legislation, we were able to confirm that the link should actually refer to 24 pieces of legislation, just as in the following DHS’ link: <http://keepkidssafe.pa.gov/index.htm>

² 23 Pa.C.S. §§ 6344 and 6344.2.

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during its annual licensing inspections of these providers. Through a review of DHS' website, we found letters, posted by DHS, to the management staff of Child Day Treatment Centers and Child Residential Facilities detailing the results of the licensing inspections performed by the bureau; identified regulatory violations, including CPSL adherence violations, were specified in the accompanying License Inspection Summaries. However, we are unable to attest to the timeliness of the completion of these annual inspections. Furthermore, we are also unable to attest to whether the CPSL adherence of any potential sub-recipients used by these providers are being monitored.

Finally, for contracted in-home preventative service providers, we were informed by DHS OCYF that these providers are not required to be licensed by the Commonwealth and, thus, are not subject to the annual inspections performed by the DHS. However, it is DHS' position that while not all in-home service providers would meet the criteria requiring the conduct of criminal background checks and child abuse history clearances (certifications) for employees/volunteers, when they do, C&Y agencies are responsible for including provisions in their executed contracts with these providers and monitoring their providers' adherence to CPSL requirements. Furthermore, in correspondence with agency management during the course of audit engagements conducted to date during this operating year, we have found that the agency management staffs of these C&Y agencies are under the assumption that DHS OCYF was licensing all providers and, as a result, there is no need for C&Y agencies to monitor CPSL adherence of the employees/volunteers of these providers, as DHS would be reviewing the certifications during their licensing process. As a consequence of this assumption, neither the DHS nor the C&Y agencies are monitoring the CPSL adherence of employees and volunteers of contracted in-home preventative service providers, thus, putting the safety of the children receiving in-home preventative type services at *great risk*.

It is important to note that background checks and child abuse clearances have historically been valid for one year after being obtained. However, recent amendments to the CPSL extend this time frame from one year to five years.³ Therefore, there is a need for DHS and C&Y agencies across the commonwealth to have a *greatly heightened* awareness of their employees' providers' and sub-recipients' arrest and conviction records, as well as child abuse adjudications to ensure that no new, disqualifying incidents have occurred from the date of the background clearances since certain disqualifying offenses could go undetected for years.

³ 23 Pa.C.S. § 6344.4.

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Erie County Council

The Honorable Tyrone Powell, Acting Inspector
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Mr. John DiMattio, Director
Erie County Department of Human Services

The Honorable Ted Dallas, Secretary
Department of Human Services

Ms. Lana Rees, Director
Erie County Children & Youth Agency

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